

JPRS-WER-88-015
10 MARCH 1988



FOREIGN
BROADCAST
INFORMATION
SERVICE

JPRS Report

West Europe

x3

West Europe

JPRS-WER-88-015

CONTENTS

10 MARCH 1988

POLITICAL

FINLAND

Kajanoja in Moscow Proposes Continuation of Joint 'Declarations' [<i>Kyosti Karvonen; HELSINGIN SANOMAT, 19 Dec 87</i>]	1
Foreign Ministry Official Views Effect of European Integration [<i>Matti Kahiluoto; HELSINGIN SANOMAT, 13 Dec 87</i>]	1
Sorsa Gives Foreign Affairs Assessment to Parliament	3
'Kunto Kalpa' Renews Attack on Sorsa, Criticizes Koivisto	4
SKDL Socialists Protest Party Discipline	4
Rival to TIEDONANTAJA To Be Founded [<i>HELSINGIN SANOMAT, 18 Dec 87</i>]	5

GREECE

Papandreu Seen 'Begging' for Gorbachev Visit	5
Advantages, Drawbacks of EEC Presidency Reviewed [<i>EMISTEVTIKO GRAMMA, 23 Dec 87</i>]	6
Left Urged To Be Daring, Not To Fear Alliances [<i>Pavlos Tzimas; RIZOSPASTIS, 20 Dec 87</i>]	7
PASOK Left Wing Reportedly Advocates New Policy [<i>I VRADYNI, 30 Dec 87</i>]	8
Papandreu Seen Ruling Out Early Elections	9
Next Election Viewed in Terms of Personalities [<i>Mikh. Dimitriou; TO VIMA, 3 Jan 88</i>]	10
Reasons for Koutsogeorgas' Reported 'Successor' Status [<i>EMISTEVTIKO GRAMMA, 16 Dec 87</i>] ..	10
Biographic Data on KKE Leaders: Review of Electoral Results	11
Leaders' Personal Data [<i>TA NEA, 14 Dec 87</i>]	11
1920-1985 Electoral Results [<i>G. Karagiannis; TA NEA, 15 Dec 87</i>]	14

ITALY

PCI's Occhetto to DC's De Mita on Quest for Stability [<i>L'UNITA, 23 Dec 87</i>]	16
---	----

PORTUGAL

Poll Shows Government Popularity Dropping, Ministers' Ranking	16
PCP Dissidents' Views on Congress; Succession at Stake	17
Internal PCP Document Published	17
Dissidents' Background	18
PCP Rivalries	19
PCP Situation Analyzed	20
No Changes Seen Under Cunhal	22
Resurgence of Freitas do Amaral Analyzed	23

SWEDEN

Paper Views Situation as Election Year Begins	24
---	----

MILITARY

DENMARK

Armed Forces to Cut 1,000 Officer Slots as Funds Drop [<i>Nils Eric Boesgaard; BERLINGSKE TIDENDE, 29 Dec 87</i>]	26
Career Naval Personnel Retiring Early as Morale Plummets [<i>Nils Eric Boesgaard; BERLINGSKE TIDENDE, 23 Dec 87</i>]	26

FINLAND

Holkeri Demands Interceptor Acquisition Be Political Decision	27
Important for Defense Consensus /HELSINGIN SANOMAT, 9 Dec 87/	27
Big Arms Requests Coming /HELSINGIN SANOMAT, 9 Dec 87/	27
Paper Comments on Acquisitions /HELSINGIN SANOMAT, 15 Dec 87/	30
Koivisto Emphasizes Importance of Arms Reduction on Seas /HELSINGIN SANOMAT, 13 Dec 87/	30
Country's Diplomats Wary of FRG's Joining Norway Exercises /Vesa Santavuori; HELSINGIN SANOMAT, 20 Dec 87/	31

NORWAY

Armed Forces' Stocks of Ammunition, Missiles Seen as Inadequate	32
Shortages, Obsolete Materiel /Liv Hegna; AFTENPOSTEN, 16 Dec 87/	32
Navy Lacks Enough Missiles /Liv Hegna; AFTENPOSTEN, 17 Dec 87/	34
Navy To Obtain 10 Air-Cushion Minesweepers	35

PORTUGAL

Reported Armed Forces Dissatisfaction With Status, Pay	35
--	----

SWEDEN

Conservatives' Chairman Carl Bildt Urges New Sub Commission	37
'New National Strategy' Needed /Carl Bildt; SVENSKA DAGBLADET, 19 Dec 87/	37
Newspaper Supports Plan	39

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

FRG Becoming Less Attractive Location for Industry /HANDELSBLATT, 2 Feb 88/	40
RWE Builds Solar Testing Facility	40

FRANCE

1988 Social Security Deficit Foreseen /Philippe Boulet-Gercourt; LIBERATION, 21 Dec 87/	40
Cause of COGEMA Losses Remains Unclear /Francois Renard; LE MONDE, 20-21 Dec 87/	41

GREECE

Internal Debt Increase Seen Endangering Future /I KATHIMERINI, 24 Dec 87/	42
---	----

ITALY

Budget for Aid to Third World Presented /ITALIA OGGI, 18 Dec 87/	43
ENI's Foreign Expansion for 1987 /ITALIA OGGI, 4 Jan 88/	43

NORWAY

Government, Opposition, Industry Leaders on Economic Outlook	44
Budget Leaves Problems Unsolved /AFTENPOSTEN, 18 Dec 87/	44
Industry Leaders Increasingly Pessimistic /AFTENPOSTEN, 22 Dec 87/	45
Brundtland Seeking Cooperation Partners /Einar Solvoll; AFTENPOSTEN, 22 Dec 87/	45
Paper Urges Increased Austerity /AFTENPOSTEN, 29 Dec 87/	46

SOCIAL

ITALY

Health, Optimism Prevail in Poll /Arnaldo D'Amico; LA REPUBBLICA, 30 Dec 87/	47
--	----

FINLAND

Kajanoja in Moscow Proposes Continuation of Joint 'Declarations'

36170035b Helsinki HELSINGIN SANOMAT
in Finnish 19 Dec 87 p 15

[Article by Kyosti Karvonen]

[Text] Moscow—Jouko Kajanoja, presidential candidate of the Democratic Alternative (DEVA), proposes that Finland and the Soviet Union go beyond the current use of communiqus in their mutual relations.

In Moscow on Friday, Kajanoja tossed out the idea that Finland and the Soviet Union draft "more than communiqus" when their leaders meet.

Kajanoja thought that if party leader Mikhail Gorbachev's visit to Finland comes off next spring, it would be good for Finland to prepare a communique that goes beyond the current type.

As a model for this new step, Kajanoja held up the so-called Delhi Declaration in which six states, including Sweden, from different continents put forth the views they share on disarmament.

As possible provisions of a joint declaration, Kajanoja named the Nordic countries' situation and Gorbachev's initiatives in his Murmansk speech. Kajanoja said that the issue did not come up during discussions conducted with the DEVA delegation in Moscow.

SDL and DEVA at Same Table

An official delegation of the Finnish People's Democratic League (SKDL) visited Moscow at the same time as DEVA. The last SKDL trip to Moscow was over 20 years ago.

Chairman Esko Helle thought that the long interval between visits was due to the SKDL's dual character as a civic organization which nevertheless operates under party bylaws.

Helle also thought that during the period of perestroika the Soviet Union is striving to establish closer relations than before.

Lengthy talks concerning the visit were conducted with the CPSU, according to Helle. SKDL general secretary Reijo Kakela was in Moscow in November for the revolution anniversary.

As a matter of practice, the oral invitation was extended by the CPSU, according to Helle, but the federation of friendship societies also served as host. In its communique, DEVA mentioned that it was invited by "social organizations of the Soviet Union."

The seven-member SKDL delegation, which arrived on Tuesday, engaged in talks at the federation of friendship societies, at an institute for jurisprudence, and together with DEVA at the CPSU's international division. Division adviser Vadim Sobakin and CMEA secretariat adviser Valdimir Hristantsov spoke to the delegates there.

Finland the Bridge Builder

During the discussions, Hristantsov observed that Finland, which is situated between Europe's economic alliances, has not used its position to build bridges.

Turning up in the discussions was the declaration of principle which was drafted by the CMEA and the EEC and by which the organizations recognized each other. The organizations still disagree on how to define the position of West Berlin.

Kajanoja said it was his impression from the discussions that if ratification of the treaty to limit short- and medium-range missiles drags on and on in the United States Congress, the soviet Union will find it difficult to reach a quick agreement on reduction of strategic weapons.

DEVA announced in its communique that it has an "agreement based on regular dealings" with social organizations.

According to DEVA chairman Kristiina Halkola, the Greens were not mentioned during the discussions. Last January the Soviet hosts asked DEVA to serve as their intermediary in establishing relations with the Greens. The Greens refused the assistance.

12327/12913

Foreign Ministry Official Views Effect of European Integration

36170034a Helsinki HELSINGIN SANOMAT
in Finnish 13 Dec 87 p 2

[Guest Commentary by Matti Kahiluoto: "Neutral Finland in European Transition"]

[Text] The author is chief of the political section in the Foreign Ministry.

It has been of primary importance that our neutral policy has acquired increasing trust as far as Finland's international position is concerned. By choosing neutrality Finland has distinguished itself as an individual factor in the international community.

In its foreign policy Finland strives for the long term so that our line of action is known and recognized. A neutral policy based on purely Finnish solutions and

formed during President Urho Kekkonen's era has become crystallized into a stable and central line of action from the point of view of our country's outward image.

The fact that nearly 60 percent of Finns wants to characterize their country as a neutral country lying between East and West in international relations according to a recent opinion poll is of interest in itself. The result reveals that importance which foreign policy has in characterizing our national identity. Finland and neutrality are identified with each other.

A neutral policy is not a static concept, but the sum of many factors. In examining neutrality in the European context, it is, for example, undeniably important as a part of an area security system. The objective of our neutral policy has with its initiative been directed toward strengthening political stability in Europe and increasing relations of all kinds.

In promoting their own objectives, Europe's neutral and nonaligned states — the so-called N+N-countries—have continued to work successfully in cooperation in the CSCE process in the 1980s. Acting in this way the N+N-countries have exploited common interests for strengthening the security of the continent in a loose cooperation extending beyond ideological barriers.

The actions of the N+N-countries have become a central part of a successful CSCE cooperation. In this respect they have even acquired definite role expectations. Finland, for its part, is making every effort so that N+N-cooperation, which has developed positively in many aspects, would continue to develop and at the same time we would strengthen our image as a neutral country.

Because of Finland's small size and its geopolitical position, we must adapt our foreign policy carefully to each operational environment. In discussions about possible changes in our operational environment the importance of threatening developmental trends is frequently emphasized even though the existence of positive developmental trends is also conceded at the same time. In a public debate the primary attention is more easily aimed at threat scenarios and not at developments alleviating tensions.

Europe is experiencing a time of transition. New kinds of prerequisites for economic development and cooperation lowering barriers are being created in its various regions from the Atlantic to the Urals. The division that has prevailed in our part of the world continues to be a fact, but it no longer restrains development in the previous manner.

The neutral policy practiced by Finland is not in itself connected with the political division of Europe and as such not with the nuclear arms race, which has prevailed for a long time. Our neutral policy was developed irrespective of nuclear weapons.

We have, however, with the help of our neutral policy, which has earned respect, aspired to find means for alleviating political and military tensions, which ever since the 1950s have, to a great degree, been the consequence of nuclear armaments.

As President Kekkonen stated in 1960: "We are not neutral in matters of war and peace. We are for a policy of peace and against a policy of war. We are against atomic armaments and are for disarmament. Whatever country makes a reasonable and feasible disarmament proposal going the furthest, Finland will support it."

We have later further defined our stance on nuclear weapons. "Nuclear war is not a means of a rational policy," to quote President Mauno Koivisto.

Finland is working against the proliferation of nuclear weapons in international arenas. In particular, we are striving to make our own vicinity, the Nordic area, a nuclear-free zone. That fact that nuclear weapons have not been deployed in the Nordic area helps to keep the Nordic countries free from the nuclear armaments, which causes all kinds of instability, and the costs connected with it.

What is important from Finland's point of view in the disarmament process currently in progress is that stability be preserved in all its phases. The significance of nuclear disarmament to the security of small states is considerable.

The effect of the nuclear arms agreements of the superpowers on Finland is undeniably positive. A whole group of nuclear weapons capable of reaching the vicinity of the Nordic area will be eliminated so that stability at a lower level of armaments will also be accomplished in the Nordic area and in areas affecting it.

From a military point of view it can be considered possible that development could take such a turn in which emphasis on naval and air deployed cruise missiles in northern areas also would be increased. In considering the effects of this type of weapons technology on the airspace of neutral countries, we have consistently expressed serious concern on many different occasions. The speech delivered by the president of the Republic in the fall of 1986, in particular, comes to mind.

Disarmament—especially the reduction of nuclear weapons—will increase international stability and will thus strengthen the position of small and neutral countries also. It appears that the problem of neutral countries in the near future will not be so much that of military security as it will be one of a preservation of identity and the classical right of self-determination.

Worldwide as well as regional integration processes are taking place

Questions connected with communications and technology, for example, can be mentioned with respect to worldwide integration processes. The development of Western European integration is, of course, of the most significance to Finland.

Our economic interests are predicated on maintaining and improving a competitive position everywhere and in all directions. This aspiration runs side by side with the accomplishment of our neutral policy, it is an important prerequisite for the accomplishment of our neutral policy.

The preservation of complete sovereignty in foreign policy and keeping decision-making in our own hands in all questions affecting foreign policy are a prerequisite to carrying out a neutral policy.

According to my view, a neutral policy is not compatible with full membership in the EC. The issue becomes more clear the more that sights are being set on creating a complete league of states—a European Union—within EC circles; this would include within it foreign policy, among other things, and its members would be bound to surrendering extensive decision-making power to supranational organs.

In adopting an attitude to the integration taking place in Western Europe, Finland thus is directing its efforts toward securing its vital economic and commercial interests from the point of view of national well-being and social development. The combining of Europe's economic resources, which is the goal of integration, is essentially in accordance with Finland's interests, and Finland is striving to actively promote this cooperation according to its opportunities. Thus Finland does not see itself merely in the role of passive adaptation.

Finland's premise is that increasing cooperation not be used for strengthening the prevailing political or ideological antagonisms or for creating new barriers. Spheres of cooperation must always be expanded as long as it is best suited to the matter in question and as long as the interests of the states participating in it are served.

In this respect, Finland's position becomes emphasized in the CSCE, among other places—especially in matters belonging to the sphere of the so-called second basket. This activism is seen as Finland's one contribution to breaking down barriers in our part of the world.

Finland, for its own part, comprehensively developed trade ties with Western as well as Eastern Europe's free trade systems. Finland's premise is that the EES (European Economic Space, EFTA's and the EC's joint economic area), which is now a goal, will not preclude or prevent the development of cooperation on a broader base in Europe.

The complex changes in international systems will in the final count present considerable adaptation and credibility problems to all states, including neutral countries. It is doubtful that the neutral states are in any way in a more disadvantageous position in this than other countries.

Neutrality and the neutral countries are now undeniably enjoying a greater degree of respect than before in the world. Recently, with increasing frequency new positive tasks have presented themselves to the neutral countries in the UN as well as in connection with the CSCE process. New opportunities for mutual cooperation among the neutral countries will also open up.

The disarmament and integration processes in progress will hardly change this basic situation, but will rather only strengthen it more than before.

10576

Sorsa Gives Foreign Affairs Assessment to Parliament

36170034c Helsinki HELSINGIN SANOMAT
in Finnish 16 Dec 87 p 14

[Excerpt] Foreign Minister Kalevi Sorsa (Social Democrat) is adopting an optimistic attitude toward Finland's opportunities for becoming a member of the UN Security Council for a 2-year term in 1989—90. Sorsa spoke on Tuesday in connection with the debate on the budget and also expressed the hope that his ministry's resources will be increased.

The foreign policy speeches delivered in the budget feedback debate last week have pleased Sorsa. He thought that even "the differing views on development cooperation and increasing Finland's refugee aid will only strengthen our common line".

The experts interpreted Sorsa's view in such a way that the minister himself would want Finland to give more to development cooperation and to accept additional refugees, but he will not succeed in this aspiration without criticism of government policy.

Sorsa pointed out that 20 years have passed since Finland's previous term in the Security Council. The post makes the rounds among the Nordic countries, and Finland's turn would come up again in 1989. Greece has, however, declared itself to be a competitor, but the Foreign Ministry has adopted an optimistic attitude toward Finland's possibilities according to Sorsa.

According to Sorsa, the administration of development cooperation will require additional posts in the opinion of the Foreign Ministry. The department will receive four new posts next year, and according to Sorsa, there is a need for yet another 16 positions in the next 2 years.

The department of development cooperation has for several years already been one of those few state offices in which the number of personnel has increased.

There is also a need for increasing information about Finland in Sorsa's opinion. According to Sorsa, the Foreign Ministry's press and cultural center will be separated into its own department so that the "organizational conditions" of information work would be improved.

Sorsa did not take a stand on the debate on whether Finland's development aid funds should be increased even after 0.7 percent of the national product has been reached in 1989. He only said that the question of the quality of development aid will "rise to the forefront" after the quantitative goal has been achieved.

10576

'Kunto Kalpa' Renews Attack on Sorsa, Criticizes Koivisto

*36170034d Helsinki HELSINGIN SANOMAT
in Finnish 19 Dec 87 p 15*

[Editorial Roundup]

[Excerpt] Kunto Kalpa, the pseudonym of a writer in KESKISUOMALAINEN, places the blame on Foreign Minister Kalevi Sorsa (Social Democrat) for the proposals made by Finnish officials for new wordings in the communique in Moscow. Finnish negotiators proposed the replacement of traditional wordings with new ones in the communique issued at the conclusion of President Mauno Koivisto's visit. The proposal was not implemented.

"When the foreign policy leadership says that nothing happened in Moscow, indeed, it should know, was the reasoning in the media. Let Kalpa or HELSINGIN SANOMAT say whatever they want."

"And then after the dust had settled, the Foreign Ministry comes out and admits that an 'intermezzo' took place after all in the negotiations on the communique. It is amazing that Sorsa is in this connection trying to place the blame for this 'intermezzo' on the officials. How can he imagine that anyone would believe that officials would dare to act in such sensitive matters without specific instructions."

"They can only come from their own minister, who also bears the responsibility for them."

"Peculiar Development"

The pseudonym also discusses Koivisto's and Sorsa's press interviews. There is a peculiar development in them in the opinion of the pseudonym.

"One can note a peculiar development by scanning the newspapers. On two different occasions the Foreign Ministry has made the assurance that neutrality does not, in fact, have anything to do with trade policy.

"The president of the Republic has stated to the newspapers of a neighboring country that he has forbidden Finnish diplomats from bringing up the proposal made by President Kekkonen in 1965 for the military protection of the border between Norway and Finland. According to AFSENPOSTEN, he has also issued a directive against commenting in the future on the possible participation of West German troops in military exercises in Norway."

10576

SKDL Socialists Protest Party Discipline

*36170034b Helsinki HELSINGIN SANOMAT
in Finnish 15 Dec 87 p 15*

[Article: "SKDL's Socialists: 'MP's To Be Freed From Party Discipline'"]

[Text] The role of the parties must be reevaluated if there is a desire to increase parliament's real decision-making power, think the Socialists in the SKDL [Finnish People's Democratic League]. The delegation of Socialists, which met in Helsinki over the weekend, does not consider it correct that MP's are "involuntary remote terminals of the parties".

"If there is a desire that Members of Parliament represent the people, it cannot be right that parliamentary factions serve as involuntary remote terminals for the parties," was the statement made in the stance.

The Socialists consider that the liberation of MP's from party control will be a new doctrine for the left wing. The right wing must learn it again.

"Let the stipulation of the constitution be implemented," states the document. "An MP is responsible only to his conscience and his constituency. This will be a new doctrine for the left wing, but the right wing must learn it in practice. Its political culture in this matter has been the same as in the traditional workers' movement for a long time already."

In the opinion of the delegation, a redefinition of the relationship between the parties and the parliamentary factions will also be the key to reforming the relationship between parliament and government.

The Socialists' stance differs significantly from the left wing's traditional position according to which MP's must observe the instructions of party organs. The say of the party is also strong in the bourgeois parties.

The SKDL's Socialists are a small faction operating within the People's Democrats and they have traditionally controlled the chairmanship of the SKDL. The present parliamentary faction of the SKDL includes three Socialist MP's, Esko Helle, Lauha Mannisto, and Vappu Sailynoja.

10576

Rival to TIEDONANTAJA To Be Founded

*36170035c Helsinki HELSINGIN SANOMAT
in Finnish 18 Dec 87 p 17*

[Text] TIEDONANTAJA, the organ of Taisto Sinisalo minority communists, will have a rival next year. Hard-line communists, who are planning their own party, will found a nationwide newspaper. The publisher will be the "communists' central council," which announces it will, "if necessary, take on the assignments of the Communist Party."

12327/12913

GREECE**Papandreu Seen 'Begging' for Gorbachev Visit**

35210045a Athens I VRADYNI in Greek 19 Dec 87 p 4

[Article by Rodolfo Moronis]

[Text] The prestige and ostensible multidimensional policy of Prime Minister Andreas Papandreu suffered a blow last week when he appeared to almost beg the Soviet leader, Mikhail Gorbachev, to come to Greece and Gorbachev has not made up his mind. This impression was created by Papandreu in the past week.

Specifically, after the meeting he had with the Soviet deputy minister of foreign affairs, Vadim Loginov, Prime Minister Papandreu did not fail to remind journalists that he is expecting Gorbachev to visit and, in an indirect way, to say to Loginov that Gorbachev should at last visit Greece.

Loginov was more revealing, however, about what is happening as concerns the Gorbachev visit—a visit which is announced at regular intervals by the pro-government newspapers. When asked if the issue of the Gorbachev visit to Greece was discussed during the contacts he had in Athens, he answered: "I would not say it was discussed. It was touched on, however, both by Papandreu and by (Minister of Foreign Affairs) Papoulias." And he revealed, moreover, that, when Soviet Ambassador Stoukalini met him at the airport, he warned him that the issue of Gorbachev's visit to Athens is a burning desire of the Greek Government. Loginov was not in a position to enlighten his contacts about when the visit will take place.

But the matter did not rest there, simply revealing the fierce desire Papandreu has to receive Gorbachev in Athens, and with the delay not having any essential significance; the same day there was talk about the Soviet leader's visit to Yugoslavia and Italy around mid-January.

Unconfirmed

The related information has not been confirmed officially. However, it is a fact that Gorbachev is preparing to visit our neighbors (in January or a bit later) but is not including Greece in his stops.

This is what is a blow to Papandreu, and it leaves the policy of overtures and favors to the USSR, a policy which has been followed for years now, essentially exposed. Because it would be absolutely acceptable for Gorbachev to not come to Athens in a period when "he has lots of work," as Papandreu said. It is not understandable, however, for him to find time to travel, to arrive at a distance of approximately one-hour flying time from Athens and not include the Greek capital in his stops. Gorbachev seems to not be anxious to meet the man who accepted and, in fact, publicly supported the Soviet interpretations of the felling of the South Korean jumbo jet over Sakhalin.

He appears to not be willing to clasp again the hand of the man who, within the bosom of NATO, has done whatever he can to create problems and difficulties.

For Papandreu, these realizations are a bitter blow. Having forsaken the pushing of Greek economic interests for his choices in the foreign policy sector, he would have, one supposes, the expectation, and probably the demand, of deriving some political benefits from his overtures. If not for Greece, at least for PASOK. In spite of the overtures and the open-handed efforts, our country's economic relations with the countries of so-called living socialism are going rather badly.

Not only is our trade balance with these countries negative, it presents either a drop or an increase at a percentage smaller than the average increase in our exchanges with other countries. This does not seem to concern Papandreu. Political appraisals have led him to his choices; they must be political because we do not believe they are ideological.

We could not persuasively argue that Papandreu's political appraisals have paid off for Greece. The Soviet Union continues to maintain a policy of almost equal distances between Greece and Turkey on issues which interest us.

In fact, it maintains high-level economic relations with Ankara, not influenced by the kind of regime which prevails there or by Turkey's unhesitating NATOist positions.

It Has No Hesitations

Papandreu knows very well that the Kremlin has no hesitations where it has interests and that the Soviet leaders do not have ideological prejudices. He remembers, we suppose, that they baptized the dictator Videla a "centrist" because they bought meat and wheat from Argentina. Therefore, he should not foster delusions that what he declares in support of the Soviet positions from time to time will result in the USSR's conversion to a fanatical supporter of Greek positions. He simply hopes that his pro-Sovietism pays off electorally. Papandreu believes firmly and rightly that his electoral victories both in 1981 and 1985 are owing to votes from the left and, in fact, the communist left. Furthermore, this was the reason why he took care of filling the vacuum left by the "departure" of Markos Vafeiadis from the PASOK area with the appointment of A. Rosios (Captain Ypsilandis) to the movement's Executive Office.

So he needs the Gorbachev visit in order to feel that he has possibilities of securing the votes of the communist left which are, more than ever, indispensable to him.
/9247

Advantages, Drawbacks of EEC Presidency Reviewed

35210058b Athens *EMBISTEVTIKO GRAMMA* in
Greek 23 Dec 87 pp 9-10

[Commentary by Th. S. S.: "The Role of the Greek EEC Presidency in the Domestic Political Scene"]

[Text] For some months now people have been talking about the EEC Presidency as a period that will work miracles for the governing party and significantly improve its electoral prospects. This theory has been presented by many analysts in pro-Government newspapers who consider the Presidency to be a milestone in our political life and in the Government's plans. In reality the domestic significance of the Greek Presidency is not as great as is claimed. The concrete advantages and problems likely to emerge for the Government are as follows:

Advantages

Papandreu will obtain plentiful coverage on state television as an "international" figure; for 6 months he will be presented as the "President of Europe." He will also enjoy the authority conferred by a) the frequent meetings with foreign leaders demanded by the Presidency and b) the European leaders' visit to Athens for the European Council in December 1988.

It is possible that Greece will undertake some initiatives (e.g. on the international conference on the Middle East) which will present the Government as being a significant force internationally. These will permit the state media

to dwell constantly on issues that are positive for the Government and for which there is no basis on which the opposition can criticize it (which is not the case today).

The Government's ministers will feature prominently as well through the ministers meetings they will chair for 6 months, thus improving their own image, at least a bit.

Problems

The interest and attention of the Government and of the Prime Minister in particular will be directed abroad for at least 6 months. This will decrease the effectiveness of the Government's work on domestic problems, which are the ones where the greatest disagreement exists.

As a Prime Minister interested only in foreign affairs and not in "the everyday problems of the people," Papandreu's image will suffer. The opposition will certainly use the Presidency to cultivate this picture, while the head of ND (who travels through the provinces far more frequently and comes more often into direct contact with the ordinary voter than Papandreu) will take advantage of this to improve his own position as a "popular leader."

The possibility cannot be ruled out that the Government will make mistakes similar to those which occurred in the Mitterrand-Qadhafi meeting at Elounda (especially if its ambitions are excessive). In this case the Presidency would create problems rather than opportunities. The likelihood of such mistakes derives from the Government's anxiety over the upcoming elections and the pressure from the domestic "fronts." It should be noted that in Europe there is far less tolerance than in Greece for deviations from the expected style and ethos of a government's behavior.

Conclusions

There are in fact significant advantages for the Government from assuming the EEC Presidency. However, these advantages are important primarily on the tactical level and cannot modify the basic political variables. The Presidency can "polish" the image of a government very nicely if it is already a good one. It cannot, however, modify the poor image of a government when that is due solely to its failure on domestic issues. At the same time the Presidency also presents certain problems as the Government's limited resources are directed at the "wrong" issues, while there is always the danger that any of the initiatives Papandreu personally might undertake and promote could turn into fiascos.

In 1983, when Greece had the Presidency before, the Government's gains were not terribly significant, despite the fact that conditions then were far more favorable than today. We can expect then that the second half of 1988, when the opposition has already started its campaign for the 1989 elections, will be far more difficult

inasmuch as the hour of truth will be approaching for the governing party and there will no longer be any time for "trumps," "secret plays," and "aces up the sleeve."

12593

Left Urged To Be Daring, Not To Fear Alliances
35210053 Athens RIZOSPASTIS in Greek
20 Dec 87 p 7

[Article by Pavlos Tzimas]

[Text] After a 3-year "serial", 1987 was the first year without an election. And since the intervals between some form of an election did not exceed, after 1974, one calendar year, the "statistic" supports the view that we may have early elections. In fact, there is an alternative election law, just in case. Ready also are the "scenario" of "clashes" with Washington which are considered necessary to charm the weaker leftist hearts. The Americans have now every reason to let Papandreu "kick" their bases out so that they can keep them more securely after the election. Therefore, 1988 is very likely an election year. But even if the government decides not to hold an early election or if it is not forced to do so, the coming year will be a long pre-electoral period full of "Karamanlis-style" clashes, full of surprises, personal confrontations, tricks and upheavals. In other words, it will be a critical year—not just as any other electoral year but much more so because this time something more will be decided than the mere right to distribute public offices for another 4-year period.

This is because, first of all, we started a process of redrafting the political map. For the first time since the fall of the junta in 1974 the electoral law does not assure any party a clear majority. But even if a party were to gain a clear parliamentary majority, it will soon be forced to give it up. In the spring of 1990 the presidential election will require either wider consensus or new elections.

Second, the more the symbolic year 1992 approaches the more acute and more difficult to solve will become the problems of the inevitable adjustment, the charted "reconstruction" of the entire socio-economic system. It becomes also increasingly evident how impossible it will be to secure the necessary social agreements regarding this reconstruction.

Thus, the political landscape is already shaking from the pre-earthquake vibrations which forecast its wider reshaping, the rearrangement of its basic aspects—but in what direction?

What the Figures Say

Many polls are trying to fathom the answer to this question by assessing the possible electoral behavior of the voting public. Although all the polls have by necessity a "deceiving" character, it is very important to note

that all recent polls agree on one point: the governing party is suffering from a continuous hemorrhage while the main opposition party lacks the appeal needed to attract the dissatisfied voters except in very small numbers. The polls further show that the percentage of those who are undecided and disillusioned is even greater. Let us take, as an illustration, the most significant and possibly the most reliant among the recent polls—the DIMEL poll published in PROTI. The figures tell us that:

—Only 54.4 percent of those who voted for PASOK in 1985 are inclined to vote for it again.

—Of those who "leave" PASOK, 6.9 percent go to a more conservative direction (ND and DI-ANA) while 12.4 percent go to KKE and the other parties of the Left. But the critical percentage is the 25 percent who say they are undecided, uncertain.

Thus, to the question which party you will vote for if an election was held tomorrow 37.7 percent prefer ND, 25.6 percent PASOK, 13.9 KKE, 2.3 percent E-AR, 0.7 percent the KKE-Int/A.A. The undecided, together with those who said that they will not vote for any party, form a "third party" with 15.7 percent.

The Real Dilemma

It is certainly noteworthy that 95.2 percent of the undecided voters represent the two major parties PASOK and ND. The crisis of the two-party setup—real, not imaginary—pollutes the political atmosphere with mistrust toward the parties and towards politics. The disillusionment does not change into hope.

With these facts in mind, the political problem bequeathed by 1987 to the electoral year is clear: ND, in spite of the small edge it has today, cannot possibly win an absolute majority even if it were to win back all the "undecided" among its former voters. Either PASOK will again manage to "pocket" left votes and extract a fragile and temporary majority (until the time for the presidential elections) or the Left will reaffirm its public support, will come out of the polls strong and will change to its foundations the shape of the political game (imposing its democratic form) and the country's prospects. Is it likely that this bankrupt PASOK, swamped in deceit, scandals and political chicanery, will manage to deceive leftist voters? Let us say it clearly: yes, it is possible.

Not so much because the proposals of the Left on the issues which most concern the people (economy, rising prices, unemployment, education, environment) do not persuade the wider public, but mainly because a considerable section of the Left's and KKE's electoral following remains captive of the "anti-right reflections", even though less so than the past. Even more important is the fact that the majority of those disappointed with PASOK remain simply disappointed. This disillusionment is

Papandreu's greatest weapon. He will try to take advantage of it, together with the "obsolete" anti-right views of one segment of the Left, in his "anti-Mitsotakis" or possibly "anti-Reagan" electoral fight...

On the other hand, is it possible for the Left to set in motion a current to attract around it in a coalition of hope those disappointed with PASOK? Is it possible for the Left to win at the polls and put its own seal on the end of the 20th century?

Yes, it is! Not only because those disappointed with PASOK prefer the Left to the conservative camp. Not only because the majority of its voters appear to be free of obsolete anti-right complexes. But primarily because it has at its disposal a weapon which is stronger than all the weapons in Papandreu's arsenal of blackmail. The 36.4 percent of the total and the 30.2 of those who voted for PASOK in 1989 say that they prefer the cooperation of the Left with PASOK! The strength of this cooperation exceeds the totals of the leftist parties.

The Left Can Win

The coming election may be portrayed as a duel between Papandreu and Mitsotakis but in reality is a fight between the PASOK leadership and the idea of a leftist solution. Papandreu may win this fight—let us understand this—by "playing" on the people's disappointment, on the "Mitsotakis fear" and on the gaps in the proposals of the Left. If he wins that fight, it will mean a politically weak majority but also a savage attack against democratic and worker rights in order to pave the way for the "bulldozers" of a forced reconstruction of the miserable Greek capitalism.

But he may lose that fight. And he is going to lose it if the Left does not limit itself to a protection of its electoral base, if it is not satisfied with what it has already, if it undertakes a dynamic "campaign" to reach those people who are worried, who are distrustful, who hash and rehash their disappointment. The Left can win! Provided it has the courage to cooperate, the courage to present itself as a persuasive alternative solution.

/9738

PASOK Left Wing Reportedly Advocates New Policy

35210052a Athens 1 VRADYNI in Greek 30 Dec 87 p 3

[Text] According to reports confirmed by reliable sources, the current issue of EPIKAIRA magazine reveals that a powerful group of PASOK left wing cadres has decided to openly challenge Premier Andreas Papandreu and question his omnipotence within the party and the government by sending him a manifesto-ultimatum.

According to the magazine, this group, which definitely includes individuals from the premier's family circle, calls itself "the uncorrupted ones" and has already

prepared the manifesto's basic points "which may even become public." The group's aim is to persuade Papandreu that the "Movement" must return to its original orientation and "to chart a steady socialist course without vacillations, to deal with all the economic and institutional structures in society." The group claims that "the socialist option has not failed since it has not even been tried properly." On the contrary there was "a changeable and aimless policy of constant maneuvers and compromises...a vague and murky policy..." in all sectors.

The magazine report indicates that the "uncorrupted" group includes leading cadres such as Giorgos Papandreu [premier's son], G. Gennimatas and K. Laliotis. Without saying so, it implies that there is also a group of "corrupted ones" in the opinion of the "militant" leftist cadres. It is worth noting that, in its basic parts, the manifesto charges that:

"Personally responsible for the enforcement of this policy are Andreas Papandreu and his closest advisors (M. Koutsogeorgas, G. Alevras and A. Livanis) and his associates (A. Tsokhatzopoulos, A. Kaklamanis, I. Kharalampopoulos, E. Kouloumbis, E. Giannopoulos and others)." "The image of corruption, incompetence and inability shown by PASOK and the government is the inevitable and fatal consequence of the lack of a clear policy which promotes bossism, arbitrariness and irresponsibility." Therefore, they conclude, Andreas Papandreu should not be given another chance to go on with the same destructive policy. Either he commits himself now to a clearly charted socialist policy or we shall now assume our own separate responsibilities leaving the party and, temporarily, the political life, without causing a split, in order to save our future and the future of socialism in Greece."

According to information the magazine uses, the "uncorrupted" group wants to exert pressure on the premier and his associates in a way that will protect it against the charge that they are "splitting" the party. In any event—according to the magazine—the group wants to cause decisive developments which will serve the short-term and medium-term political developments—mainly the time for elections—since (according to the magazine) A. Papandreu will either give in to the pressures of the "uncorrupted" group (thus starting a new period of dangerous experiments for the country) or define with boldness and realism his views ignoring, in effect the pressure of the "uncorrupted" who, thus, will no longer be able to remain in the party.

Similar reports about the "impending clash" between "leftist" and "moderate" factions within PASOK have come to light from time to time without, however, such "clash" actually taking place.

The timing of the EPIKAIRA report and the surfacing of precise information regarding the composition of the "uncorrupted" group (including "individuals from the

premier's family circle") as well as the exact quotation from the manifesto ultimatum, lead to the justifiable conclusion th "one more war of contending factions has broken in PASOK. Leaking information to the press about this group makes it easier for the "accused" groups around the premier to ask him to eliminate their "un-corrupted" rivals from any partisan or government power.

/9738

Papandreu Seen Ruling Out Early Elections
35210045b Athens 1 KATHIMERINI in Greek
14 Dec 87 p 13

[Editorial in the "Current Events" column: "A Bet..."]

[Excerpts] I would like to talk seriously today, as seriously as I can and as seriously as is appropriate in this small column.

One could say that, as the subject which I have in mind is connected to Andreas Papandreu, it will be hard for one to consider this with any seriousness. But what can be done? We are closely connected with Andreas Papandreu and his own future plans have a direct effect on our own lives and the life of the whole country.

Such as the great and serious subject of elections, which depends exclusively on his own decision. Everyone around him is occupied with these elections, his own people and his adversaries, all of the press without exception, all the political commentators, all the studiers of political situations, all the acknowledged officials and unofficial prophets.

Early elections? Elections within the year? Elections because economic affairs are going badly and will get, in any case, worse? Elections because the opposition is insisting and one cannot ignore it indefinitely? Elections with the old system, with the proportional system, with a new law?

Elections....

Who, Andreas Papandreu? Now, this year, in 1988? But seriously, in all the years you have been listening to him, seeing him, following him, have you not gotten to know him at all? Is it possible for one to imagine that there is the smallest, the minutest, possibility of Andreas Papandreu proceeding to elections? Have you not psychoanalyzed the man, do you not know his ambitions, his pathological megalomania, the large-sized plans for world peace? His passion for international exposure?

Do not say to me, "What relation do all these things have with elections coming slowly or quickly?", because then I will reiterate my surprise and question: "Do you not have an idea who and what Andreas is?"

And I will ask, in all directions, all the friends and enemies of Andreas and those who are indifferent, if they exist: "Do you believe it is ever possible for Andreas Papandreu to give up the EEC Presidency which awaits him in the second half of 1988, beginning on 1 June?".

Our prime minister has not done well with his partners in Europe and in recent years an increasing coldness has been created which has deeply disturbed him. To put it simply, "they cannot stand him" and he knows it, perhaps without understanding it, without justifying it. He would not be so tiresomely demanding if he understood it, nor so fickle. At any rate, now the great opportunity is approaching to have all these "great ones" on a plate, served at his own Greek table, obliged to pay attention to him and make much of him. For six whole months the ice-cold Margaret Thatcher will be forced to work with him, President Mitterand will find again the familiar friendly disposition—he lost it with that most unfortunate meeting in Kuwait with Qadhafi which Andreas had organized and which caused a plummet in the French president's popularity—and he will be connected more or less with all the others who, without exception, have been displeased, to say the least, all these recent years.

If he chances elections before June, misfortune may happen—however much Menios and Akis prepare for "victory" with unknown secret and suspicious means—and PASOK may lose. New Democracy win and Mitsotakis will be prime minister and Greece's representative in Strasbourg....

A nightmare! In all of Papandreu's speeches and orations, a democratic reference to the possibility of a rotation on the political scene has never been heard. Neither does he consider this, nor does it pass through his mind, nor does he wish to hear anything related.

Among the few sincere words Andreas Papandreu has said to us, and we can believe without reserve, are that we will not have elections before 1989. He is not going on, of course, to reveal the reason, nor does he have any obligation to do so, but it exists and no "glasnost" is needed for one to discern the most transparent objective.

In precisely one year, when our own Presidency ends, in December 1988 the hour will come for us to think about elections

Then, yes. Then we will be approaching the final margins, PASOK will not have many possibilities of postponing, and it will be worth it, we shall have to, set off on the difficult contest.

Now, what we wish to say seriously, of course, and surely, most surely, is that elections are not approaching and all the talk about elections is futile. Who wants to bet?

9247

Next Election Viewed in Terms of Personalities
35210052c Athens TO VIMA in Greek 3 Jan 88 p 6

[Article by Mikh. Dimitriou; "The Two Gladiators"]

[Text] Andreas Papandreou and K. Mitsotakis, the two outstanding personalities of the 1987 political scene, will again be the protagonists of 1988's top developments. Their personal strategies, decisions, tactics and roles will be of significant importance in the new (leap) year also. This does not mean that the personalization of the political life identifies with the lack of changes and developments. An example: the political climate which characterized the early days of 1987 (after the municipal elections and the first wave of "scandal mongering") and the rather unfavorable climate which exists at the start of 1988. This means instability, uncertainty and inability for predictions—even for apparent political developments. Who can foresee, for instance, how the Papandreou-Ozal meeting the last week of January will end up?

Of course, the difficulty for responsible forecasts (for this reason the scenarios are flourishing) does not mean complete inability to identify certain data from past experiences and behaviors and (more or less) from the already charted political and personal strategies. Specifically:

—Andreas Papandreou is considered (and he is) the premier and PASOK's chairman with broad delegated and non-delegated margins of political initiatives in the whole public life.

—Already, since 1987 ND Chairman Mitsotakis is considered (and he is) the established leader of the conservative world at least until the next elections.

If one takes into account the degree and intensity of what was published against A. Papandreou especially during September and October, one can say that as a political leader he remains "un untarnished metal." He continues to exert a personal influence greater than his party and his government—an advantage Mitsotakis does not have.

From this aspect, it is believed that the personalization of the political confrontation in the next elections will favor PASOK and A. Papandreou. From the Mitsotakis aspect, the ND chairman shows that not only he does not want to avoid this personal confrontation but, on the contrary, he is pursuing it, as his releases and speeches prove. However, if in his personal strategy Mitsotakis includes Papandreou's "personal decay on a daily basis" then the latter will assign to others this "decay" task. Moreover, by contrast to Mitsotakis's daily oppositionist behavior, Papandreou has decided to limit his meddling in "daily affairs" and "confrontations." He prefers to combine "his emergence to public attention" for 2-3 weeks with public appearances and with decisions on issues of general policy.

In the case of Mitsotakis, his personal political strategy is hindered by an internal crisis. It only suffices to mention that in 1987 Mitsotakis may have consolidated his position (starting with the municipal elections of October 1986 and despite Rallis' departure) but he has failed in all his other objectives. PASOK's deterioration was caused by its own mistakes. His efforts to put Papandreou "on the defensive in the Chamber of Deputies" in order to achieve early elections; to cause a major crisis in the government and PASOK through scandal mongering, certain that members and deputies would leave the party, were unsuccessful. Mitsotakis appears to have unsuccessfully exhausted the fire of his personal strategy in 1987 and faces 1988 without a strategic plan for an oppositionist policy.

On the other hand, the lack of "sensitivity" on the part of the government and PASOK to Mitsotakis' attacks does not mean that there is unity and loyalty among the PASOK voters of 1985 (45.8 percent). As things stand today, the "reconstruction" of the PASOK party machine apparently affects only the percentage of "the faithful" voters, according to credible polls (a percentage of 25 to 30 percent of the electoral body). The rest 15-20 percent which voted for PASOK in 1985 remains marginalized "within the party but outside its needs". And, surely, practices such as the revival of the PASOK branch organizations, the promises for participation in the pre-Congress procedures etc do not seem to be the best way for the ambitious "reconstruction".

It is clear that in 1988 the public life leaders are in search—one to a lesser the other to a greater degree—for a personal political strategy, a search which is signaling also the significance of more general political and party strategies with particular appeal and influence. Thus, we enter the new year with many questions and fewer answers.

/9738

Reasons for Koutsogeorgas' Reported 'Successor' Status
35210052b Athens EMISTEVTIKO GRAMMA in Greek 16 Dec 87 p 5

[Text] Well informed sources from the premier's office say that M. Koutsogeorgas will rise even further. They claim that A. Papandreou is reportedly determined to prepare the ground for Deputy Premier Koutsogeorgas to succeed him. The premier has two reasons for strengthening the position of M. Koutsogeorgas:

- a. The signs that PASOK will not be the top party in the next elections and A. Papandreou's refusal to become the leader of the opposition party with Mitsotakis as premier. He prefers, therefore, to place Koutsogeorgas in this position. "Even in the event Andreas managed to become president of the Republic, the Koutsogeorgas solution will serve him well" according to associates.

b. The premier's desire to advance his son, Giorgos Papandreu, to the leadership of the party. People in PASOK's Executive Office claim that in Panandreu's view, Koutsogeorgas is the only "trustee" of his wishes and wants him to assume the role of a bridge in the period between the premier's departure and the rise of Giorgos Panandreu to the leadership of PASOK. It should be noted that in addition to the premier's wishes, Koutsogeorgas is developing an expanding consensus among the PASOK cadres around him.

/9738

Biographic Data on KKE Leaders: Review of Electoral Results

Leaders' Personal Data

35210051 Athens TA NEA in Greek 14 Dec 87 pp 8-9

[Text] The KKE Central Committee, extensively renewed since the party's 12th Congress, has about 100 members the overwhelming majority of whom represents the Polytechnic School generation which has succeeded the National Resistance cadres.

The same is true with other KKE committees ("guidance" of nomes, regions, etc) where the 35-year olds are prevailing and, in their majority, are known for their antidictatorship movement. The party has not yet issued a list of the Central Committee members. But names of Central Committee members and other cadres who represent the party in various events or speak at various party gatherings appear in the press rather frequently. From what RIZOSPASTHIS and KOMMOUNISTIKI EPITHEORISI [Communist Review] have thus far published and from what the party has announced from time to time we can form a picture of the present KKE leaders who constitute the Political Bureau of 9 regular and 4 alternate members (elected by the Central Committee by secret ballot). The regular members are:

KHARILAOS FLORAKIS, 75, secretary general, a former wireless operator. He was born in Takhoula of Karditsa and joined the Federation of Greek Communist Youth [OKNE] while in high school. During the National Resistance period he served in the Sterea Ellas unit of the National People's Liberation Army [ELAS] and during the civil war was commander of the Thessalia First Division of the Democratic Army of Greece [DSE]. He became a member of the KKE Central in January 1949. After the civil war he entered Greece illegally, was captured in 1954 and was tried 6 years later in 1960. He was sentenced to life imprisonment as spy (the prevailing charge of those days). During the short period he was free, from the day of his release from prison until 21 April [1967] when the dictatorship was established, he was a member of the United Democratic Left [EDA]. The junta kept him in exile camps for 3 years and after

its fall he escaped abroad. In December 1972, the 17th Central Committee Plenum elected him KKE secretary and since 1974 he is continually being elected deputy in the Attiki Second District.

GRIGORIS FARAKOS, 64, mechanical engineer. He was born in Navplion and attended the Polytechnic School. During the last years of the occupation, he headed the "Lord Byron" Students Company and was seriously wounded in the December 1944 battles. After the civil war he lived in socialist countries. He was elected a member of the Central Committee by the KKE 8th Congress. After the April dictatorship he entered Greece illegally, was arrested and sentenced to life imprisonment as spy (what else?). He is the editor of RIZOSPASTIS since the first day of its republication in 1974 and a member of the 7 member Central Committee Secretariat. Since 1974, he is continually being elected deputy in the Athens First District.

NIKOS KALOUDIS, 70, KKE parliamentary spokesman. He was born in Khios and during the war was active in the maritime workers' syndicalist movement. He was elected to the KKE Central Committee by the 8th Congress. During the junta years he entered Greece illegally, was arrested, tried and sentenced to 4 years in prison. He is elected deputy since 1974 (twice in the Magnisia District and in 1989 in the Piraeus Second District).

LOULA LOGARA, 60, participated in the National Resistance, was imprisoned for many years and served as a member of EDA's Administrative Committee. She was arrested again by the junta after whose fall she became secretary of the Athens Party Organization [KOA]. She was elected to the KKE Central Committee by the party's 8th Congress.

KOSTAS TSOLAKIS, 60, from Kavala. He is an old member of the National Panhellenic Youth Organization [EPON] and fought in the civil war with DSE. For many years he lived in the Soviet Union as a political refugee and for a long time was secretary of the KKE Organization in Tashkend. He was elected to the Central Committee by the 8th party Congress and was promoted to Political Bureau membership by the 12th Plenum (in 1968 when KKE was split). He is a member of the Central Committee Secretariat.

ORESTIS KOLOZOF, 55, a chemist. He studied in Italy where he lived for many years. He is the son of the famous KKE leader Georgis Kolozof who was born in Evros and disappeared in the Soviet Union during the Stalin purges. He was elected to the Central Committee by the KKE 9th Congress (which took place in East Germany in 1973).

DIMITRIOS GONDIKAS, 47, electrician, member of the Lambrakis Youth. He was arrested on 21 April and sent to internal exile. He was freed when the concentration camps were dismantled and at a secret meeting of

the Greek Communist Youth [KNE] he was elected its secretary. He served in this position until 1979 when he was succeeded by Spyros Halvatzis. Since 1979 and until last June he was KOA secretary. Presently he is a member of the Central Committee Secretariat. He was elected to the Central Committee by the 9th Congress. He was elected deputy twice (in 1974 and 1977) in the Piraeus Second District.

ALEKA PAPARIGA, 42, philologist, member of the Lambrakis Youth before the dictatorship. She is now KOA secretary and a member of the Central Committee (elected by the 10th Congress). Last year she was elected alternate member of the Political Bureau and last May the 12th Congress of the party elected her a regular Political Bureau member. For many years she was in charge of the Womens' Section of the Central Committee and in the past 2 years, following the death of D. Sarlis, she assumed the responsibilities of the party's ideological work.

TAKIS MAMATISIS, 62, journalist, was born in a Larisa Nome village and has participated in the National Resistance and the DSE. For many years he served in the administration of the KKE radio station "The Voice of Truth" (based in Romania). The 9th Congress elected him to the Central Committee and until the party's 12th Congress he was assistant editor of RIZOSPASTIS. For 2 years he was in charge of KNE and presently he is secretary of the Thessalia Party Organization.

The Alternates

The four alternate members of the Political Office are:

DIMITRIS KARAGOULES, 36, born in Athens. He participated in the anti-junta student movement, was arrested in February 1973 and was drafted in the army (under the junta law 1347). A KNE member since 1972, he was elected to its Central Council following the fall of the dictatorship. The 10th Congress elected him to the Political Office (May 1979). In recent years he was in charge of the Thraki and Eastern Makedonia Political Organizations. Presently, he is a member of the Central Committee Secretariat.

DIMITRIS ANDROULAKIS, 36, topographer, was born in Agios Nikolaos of Crete. He participated in the anti-junta student movement and was a member of the committee which coordinated the Polytechnic School uprising. He too was drafted in the army in February 1973 (under the same law 1347). Following the junta's fall, he served as member of the KNE Central Council. The 10th Congress elected him an alternate member of the Central Committee and presently he is in charge of KKE's ideological work.

DIMITRIS KOSTOPOULOS, 48, construction worker and president of the Athens Labor Center [EKA]. Before 21 April he was an active Lambrakis and EDA cadre. He

was arrested in 1968 and sentenced to long incarceration. The 22nd Congress of the Greek General Confederation of Labor [GSEE] elected him secretary general (he was the first communist to be elected to that office after 40 years).

SPYROS KHALVATZIS, 42, was born in Kozani and is secretary of the Paraeus Party Organization. An active Lambrakis Youth member, he was exiled by the junta. KNE's 2nd Congress in March 1979 elected him secretary a position he held until December 19893 (at the 3rd Congress he was succeeded by Giorgos Grapsas).

The Secretariat

The Central Committee Secretariat is responsible for the "guidance" of KKE's organizations (except those in Athens and Piraeus which are under the direct guidance of the Political Office). It consists of 7 members and, besides Gr. Farakos, D. Gondikas, K. Tsolakis and D. Karagoules, it includes the following:

GIANNIS MAVRAKIS, 35, topographer-engineer. He was an active cadre of the antidictatorship student movement. He was arrested in February 1974 and tortured by the notorious Goro in the Bogiatsi military prison. The 11th KKE Congress (December 1982) elected him to the Central Committee.

KOSTAS VOULGAROPOULOS, 48, emigrated to West Germany. He was active in the student movement against the dictatorship and presently he is in charge of KKE organizations in Makedonia.

THANASIS KARTEROS, 43, editor in chief of RIZOSPASTIS. He was a member of the Lambrakis Youth and was imprisoned by the junta after whose fall he became a member of the KNE Central Council.

Central Committee: Regular Members

According to the party's constitution, the Central Committee is the "guiding body in the Congresses" (which elect the committee's members by secret ballot) and includes, besides the 13 Political Bureau and the 7 Secretariat members the following:

G. Dragasakis, 38, economist (he studied in England), in charge of the Central Committee financial section; G. Grapsas, 36, KNE secretary; D. Zakharis, 36, mathematician, member of the KOA office; P. Trigazis, in charge of the peace affairs section; G. Moraitis, 60, member of the RIZOSPASTIS editorial staff; A. Skylakos, (a son of an EDA deputy) was until recently secretary of the Thessalia Party Organization; S. Konstandis, 36, former member of the KNE Central Council; D. Georgatos, 66, mathematician, a National Resistance cadre and an alternate member of the Political Office from 1978 until 1982; N. Ginas, a National Resistance cadre, secretary of the Ipeiros Party Organization; D. Mavrodoglou, 63, Athens Second District deputy, former president of the

Federation of Construction Workers; P. Lafazanis, 36, mathematician, in charge of the Press Office; D. Sakinis, 67, an old cabinet member and presently Thessaloniki First District deputy; Il. Papadimitriou, 64, Larise deputy and second vice president of the Panhellenic Supreme Confederation of Agricultural Cooperatives [PASEGES]; And. Ambatielos, Roula Koukoulou, both members of the Political Office from 1972 until last March; G. Katsaros, secretary of the Salonia Party Organization; A. Stathakis, 36, electrical engineer, Polytechnic School graduate and until recently secretary of the Piraeus Party Organization; A. Khatzipavlidis, secretary of the Sterea Ellas and Evia Party Organization; Th. Skamnakis, 38, in charge of the Central Committee's Political Section; M. Kaniaris, former EDA deputy and until recently in charge of the Self Government Department; Sp. Stathakis, 40, physician, brother of L. Stathakis, member of the International Relations Office; K. Tzantzis, 40, lawyer, student of the KNE Student Organization during the dictatorship years; N. Kotzias, 38, engineer who studied in West Germany, member of the Ideological Work Section; V. Kalamatianos, N. Mailis, Kiki Mikhou, Khr. Katsanakos (secretary of the Trikala Nome Party Organization), Th. Tzantzis, 38, brother of K. Tzantzis, economist in charge of the middle classes affairs; K. Kappos, 50, KKE parliamentary spokesman, graduate of the Piraeus Supreme Industrial School, since 1974 deputy from the Athens Second District; I. Khotos, syndicalist, secretary of the Larisa Party Organization; K. Papakhristodoulou, syndicalist, secretary of the United Antidictatorial Labor Movement-Cooperating [ESAK-S]; M. Terzidis, secretary of the West Makedonia Party Organization; Ger. Kotrokois, Str. Tsambis, (both were members of the Political Office, 1978-1982); Giota Sevastiadou, physician, A. Kalambogias, Th. Theodosiadis, N. Papadopoulos, N. Kyriakidis (during the first postwar years he was an alternate member of the Political Office); V. Eframidis, Eurodeputy, EDA deputy from 1951 until 1967, G. Mavromatis.

Central Committee: Alternate Members

The Central Committee alternate members (whose vote is consultative, according to the constitution) are:

Maria Damanaki, 35, deputy speaker of the Chamber of Deputies, Athens Second District deputy since 1977, chemical engineer, for many years secretary of the KNE Central Council Office; P. Sembos, 36, mathematician, member of the KOA Office; G. Stamatakis, 36, lawyer, president of the National Student Union of Greece [EFEE] in the post-junta years, KKE representative to the Committee on Simple Proportion [Electoral System]; I. Kokkinelis, president of the Federation of Construction Workers; Toula Kondou, dentist, member of the editorial staff of the periodical KOMMOUNISTIKI EPITHEORISI (Communist Review); Eleni Khioni, syndicalist; I. Theonas, Greek Telecommunications Organization [OTE] unionist, member of the EKA administrative board; G. Maniatis, philologist; S. Kavkalas, mathematician, in charge of the education section; Nt.

Mitsis, RIZOSPASTIS reporter, S. Logothetis, mayor of Nikaias; D. Sarafoglou, mayor of Keratini; K. Batikas; S. Kyriakos; D. Koumbouris; N. Khoundis, KOA member; V. Amanitidis; Str. Karakas, economist, Mytilini deputy since 1985; P. Ploumi EKA Administrative Board member; D. Koutsoumbas, secretary of the Voiotia Party Organization; T. Tsingas; M. Spyridakis, a Lambrakis Youth cadre at Salonia University; F. Khouliaras, member of the Polytechnic School generation, B. Angouraki, D. Tzouramanis, Kyr. Keransoulis, deputy mayor of Peristeri, St. Vamvatos.

The KKE Central Committee has auxiliary bureaus or committees whose establishment is decided by the Central Committee which also approves the personnel appointed to these committees by the Political Bureau. Such auxiliary committees are:

Public Relations: chaired by Or. Kolozof, a member of the Political Office. Central Committee members Sp. Stathakis and G. Papapetrou, (both well known cadres of the antidictatorship student movement) are also members of this committee.

Athletics: chaired by 37-year old G. Tzias. Its members include N. Regoukos, the old Balkan Games winner, and biologist D. Aaron.

Health: G. Balafas, chairman

Local Self Government: chaired by Angelos Khagios, chemist, Athens Municipal Council member; M. Mexis and Maria Thermou are members.

Radio and Television: K. Papanikolaou, chairman

Cultural: Th. Skamnakis, Central Committee member, is in charge of this committee while philologist Angeliki Kydi is a member.

Womens' Affairs: Sp. Striftaris, chairman

Foreign Policy and Defense: K. Seirinidis, the dishonorably discharged major, is in charge (he was discharged by Averof because he reported the activities of junta "left-overs").

Education: S. Kavkalas, chairman and Th. Vlakhos, L. Kotzia and D. Alyssandrakis, members.

Finances: G. Dragasakis, chairman. Member: economist G. Taliros, M. Nikolaidis, and D. Kazakis. L. Nikolouzos and P. Alekis are in charge of the Parliamentary Group and the Eurogroup respectively.

Other important KKE cadres are: Eurodeputy Al. Alavanous, 37, economist, son of Deputy Minister of Culture Kostas Alavanous and one of the best known cadres of the antidictatorship student movement; D. Desyllas, 37, agriculturist, secretary of the General Confederation of Greek Agricultural Unions, and a recent Eurodeputy

following the resignation of veteran Takis Adamos; G. Nystazakis, mechanical engineer, a cadre of the antidictatorial student movement and presently secretary of the Crete Party Organization; Ag. Ganganiaros, secretary of the Central Makedonia Party Organization; Ger. Betsimeas, a Lambrakis Youth member; D. Foundalis, Press Office cadre; P. Paraskevopoulos, president of the Slovaca Labor Center; M. Trikoupis, lawyer in Salonica; D. Arkhondis, mayor of Karditsa and Sp. Pallis, mayor of Mytilini, both of the Polytechnic School generation era.

Also, the following secretaries of nome committees: P. Skoteiniotis (Magnisia), Khr. Trellis (Evros), N. Khatzidimitriou (Pella), G. Keranopoulos (Kavala), G. Posotidis (Aetoloakarnania), Th. Galatsatos, (Kefalonia-Ithaki), Valia Vagionaki (Khania), St. Orfaanos (Irakleion), A. Ganis (Fokis), Il. Bitsanis (Messinia), K. Paraskevas (Evvoia).

The following, all members of KKE's "historic leadership", continue to be active but not as participants in the Central Committee: K. Loules, member of the Central Committee from 1945 until last May, member of the Political Bureau from 1972 until 1982 and Larisa deputy from 1974 until 1985; Avra Partsalidou (wife of Mitsos Partsalidis, a KKE member since 1925 and a Central Committee member for more than 35 years); V. Bartzota and Petros Roussos are the only two surviving KKE Political Office members from the enemy occupation and civil war periods.

Also, the following members of the old ELAS and DSE leadership continue to remain active but not as participants in the Central Committee: Sp. Kotsakis (the "Nestor" of the First ELAS Army Corps in Athens), Bas. Venetsanopoulos and Stef. Papagiannis (officers of the regular army who participated in the National Resistance and the DSE Staff), Vang. Papadakis (an ELAS division commander) and Andr. Moraitis (Air Force officer in charge of supplies to guerrillas during the enemy occupation).

1920-1985 Electoral Results

35210051 Athens TA NEA in Greek 15 Dec 87 p 10

[Article by G. Karagiannis]

[Text] We have already entered a long electoral campaign and a review of KKE's electoral results from the time its forerunner, the Socialist Labor Party of America [SEKE(L)] first appeared (it was founded in November 1918) will help to better "know" this party.

The first time SEKE(K) participated in a parliamentary election was on 14 November 1920 and received 100,000 votes but, because of the majoritarian election system, it failed to elect a deputy. (The party's 23 candidates were elected by a special Electoral Congress).

In the 16 December 1923 elections SEKE(K) received 18,000 votes and did not elect a deputy. Giannis Pasalidis who ran as an independent socialist was the only elected representative of the Left in the Chamber of Deputies [Vouli]. In later years he became EDA chairman. (The Liberal Party won the majority of the Vouli seats while the royalist parties abstained.)

In the 7 November 1926 elections KKE elected 10 deputies for the first time. The United Workers, Farmers, and Refugees Front [EMEAP] received 41,982 votes (4.38 percent) and elected the following deputies (district in parentheses): Serafeim Maximos and Kostas Theos (Larisa), Zak Vendouras, David Soulam and Grigoris Papanikolaou (Thessaloniki), Eleftherios Stavridis (Kavala), Kostas Konstantinidis (Drama), Thanasis Sinokas (Rodopi), Tasos Khainoglou (Evros) and N. Kyriakopoulos (Florina).

In the 19 August 1928 elections KKE received 14,325 votes but, again, because of the majoritarian electoral system, it failed to elect any of its candidates. (The Liberal Party received the majority of the votes or 46.94 and elected 178 deputies out of 250 or 71.2 percent of the parliamentary seats. Eleftherios Venizelos formed a government.) There followed the election of 21 April 1929 for 120 senators (the proportional electoral system was used in 11 districts and the majoritarian in 37 districts for the election of 92 senators. Of the remaining 28 senators, 18 were elected by professional organizations and 10 by the Vouli). KKE's United Front received 14,000 votes (1.7 percent) and did not elect a senator (the Liberal party received 54.58 percent and 64 senatorial seats).

10 Deputies

In the 25 September 1932 elections (the re-enforced proportional system was in effect) the EMEAP received 58,223 votes (5.0 percent) and elected the following: Basilis Ververis, Misel Gaze, Giannis Ioannidis, Apostolos Kleinodaris, Manolis Manoleas, Vasilis Nefeloudis, Dimitris Partsalidis, Miltiadis Porfyrogenis, Stelios Sklavainas, Evangelos Khalkogiannis (in these elections the Liberal Party won 33.4 percent of the votes cast, the Popular Party 33.8 percent, the Progressive Party of Kafandaris 8.35 percent, the Agrarian Party of Stefanopoulos-Mylonas 6.2 percent, the National Radical Party of Kondylis 4.1 percent and the Metaxas Party 1.6 percent).

In the 5 March 1933 elections (majoritarian electoral system) the EMEAP received 52,958 votes but did not elect a deputy. The Popular Party of Tsaldaris won 38.07 percent of the votes (majority) and 118 seats. The Liberal Party of Eleftherios Venizelos received 33.29 percent and 80 seats.

60 Communities

In the 11 February municipal and communal elections the first communist mayor, Dimitris Partsalidis, was elected in Kavala while EMEAP won a majority in 60 communities. A month later, on March 12, Dionysis Menykhtas won the by-election in Serrai and thus a second communist mayor was elected.

The majoritarian system was used in the 9 June 1935 elections. EMEAP received 98,694 votes (9.59 percent) but did not elect a deputy. (The elections were conducted in an atmosphere of terrorism and the Liberal, Agrarian and other parties did not participate. The Tsaldaris (Popular) and the Kondylis parties collaborated and won 65 percent of the vote and 287 out of 300 seats.)

The last elections before the 4 August [1936] dictatorship took place on 26 January 1936. The simple proportional system was used and the Pan-Popular Front [EMEAP] received 73,411 votes (5.76 percent) and elected the following 15 deputies: Vasilis Nefeloudis, and Dimitris Glinos (Athens), Manolis Manoleas (Piraeus), Stelios Sklavainas and Mikhialis Sinakos (Salonica) Giannis Ioannidis and Miltiadis Porfyrogenis (Larisa), Giorgis Siandos (Trikala), Phil. Papadopoulos (Kozani), Andreas Tzimas (Florina), Dionysis Menykhtas (Serres), Dimitris Partsalidis (Kavala), Vasilis Ververis (Rodopi), Mikhialis Tyrimos (Mytilini) [only 14 were mentioned]. (In these elections the Liberal party headed by Th. Sofoulis came first with 37.26 percent of the votes and 143 seats.)

The Dictatorship

There followed the difficult years of the Metaxas dictatorship (4 August 1936), the occupation, the civil war and 1951 when the United Democratic Left [EDA] was founded. It participated for the first time in the elections of the same year (the re-enforced proportional electoral system was used) and received 180,640 votes (10.57 percent) and elected the following 10 deputies (three were still in prison: M. Glezos, And. Ambatselos, and Tsimboukidis while seven were in exile: K. Gavrillidis, St. Sarafis, General Hatzimikhalis, M. Proimakis, Il. Iliou, I. Imvriotis, and N. Tsikhas).

Two months later, on 9 December 1951 the election of the EDA deputies was voided because "being in exile and in prison, they lacked the qualifications of an eligible candidate." They were replaced in Athens by Mikh. Kyrikos, G. Spiliopoulos, And. Brilakis (now a deputy of the United Left [E-ARI]) and V. Efraimidis (presently KKE Eurodeputy), in Piraeus by Em. Mandakas and P. Katerinis, in Salonica by I. Pasalidis and L. Karamaounas, in Volos by G. Vlamopoulos and in Lesvos by G. Simos.

In the elections of 16 November 1952 EDA did not elect a deputy because the majoritarian electoral system was in force even though it received 152,011 votes (9.55 percent). Gen. Papagos' Greek Rally Party received 783,541 votes (49.22 percent) and 80 percent of the parliamentary seats or 240.

In the elections of 19 February 1956 (when women voted for the first time) EDA collaborated (together with G. Papandreou, S. Venizelos, K. Tsaldaris, S. Papapolitis, Al. Baltatzis, and S. Allamanis) with the Democratic Union which received 1,620,007 votes (48.15 percent) and elected 132 deputies while Karamanlis' National Radical Union [ERE] with fewer votes (1,594,112 or 47.38 percent) elected more deputies (165).

The United Democratic Left

For the elections of 11 May [year not given] the re-enforced proportional system was put in force. EDA received 939,902 votes (24.42 percent) and elected 79 deputies thus becoming a laudable opposition in the Chamber of Deputies.

The same system was in force for the 29 October 1961 elections known as the "elections of violence and fraud". The Patriotic Front [PAME] received 675,867 votes (14.62 percent) and won 24 seats.

EDA showed a slight decline in the elections of 3 November 1963 (re-enforced proportional). It received 669,227 votes (14.34 percent) yet elected more deputies, 28.

In the elections of 16 February 1964 (re-enforced proportional)—the last elections before the dictatorship—EDA received 542,865 votes (11.8 percent) and won 22 seats.

In the first post-junta elections of 17 November 1974 KKE collaborated with the United left which received 464,787 votes (9.47 percent) and elected 8 deputies: five KKE deputies: Kh. Florakis, Gr. Farakos, K. Kappos, D. Gontikas and Mina Giannou. Two KKE-Interior deputies: A. Kyrikos and Kh. Drakopoulos and one EDA deputy: Il. Iliou.

In the elections of 20 November 1977 KKE received 480,188 votes (9.36 percent) and elected 11 deputies: Kh. Florakis, Gr. Farakos, K. Vassalos, Maria Diamanaki, L. Kalergis, N. Kaloudis, K. Kappos, D. Gontikas, K. Loules, D. Mavrodoglou, and Nina Giannou. D. Gondikas and Mina Giannou resigned on 26 July 1978 and their seats were filled by N. Kepesis and D. Sakhinis.

In the elections of 18 October 1981 KKE received 620,302 votes (10.92 percent) and elected 13 deputies: A. Ambatielos, K. Vassalos, Maria Diamanaki, Mikis Theodorakis, K. Kappos, D. Sakhinis, Gr. Farakos, Kh. Florakis, Aimilia Ypsilanti, N. Kaloudis, K. Doules, D. Mavrodoglou and cooperating K. Nasis a member of the

Agrarian Party of Greece. The Euroelections took place at the same time and KKE received 792,052 votes (12.84 percent) electing three Eurodeputies: V. Efraimidis, D. Adamos, and Al. Alavanos.

In the Euroelections of 17 June 1984 KKE received 693,304 votes and again elected the same three Eurodeputies: Efraimidis, Adamos, Alavanos. In the parliamentary elections of 2 June 1985 KKE received 629,518 votes and elected 12 deputies: Kh. Florakis, Gr. Farakos, N. Kaloudis, Maria Diamantaki, K. Kappos, D. Mavrodoglou, Str. Korakas, Il. Papadimitriou, D. Sakhinis, Mimi Theodorakis and the cooperating Man. Drettakis and St. Panagoulis. When Theodorakis resigned his position was filled by cooperating AKE member K. Nasis.

Finally, in the municipal elections of 12 and 19 October 1986, KKE won 53 municipalities compared to 43 it had won in the 1982 elections.

/9738

ITALY

PCI's Occhetto to DC's De Mita on Quest for Stability
35280082c Rome *L'UNITA* in Italian 23 Dec 87 p 1

[Text] The situation is therefore changing. All the major political forces acknowledge that we, the Communists, with our latest Central Committee, have raised a fundamental issue that cannot be put off. This was also the gist of the significant encounter with the Socialist at which we already expressed our opinion. The Honorable De Mita, in an interview with the *CORRIERE DELLA SERA*, took note of our new position by saying that there exists a crisis in the political system. We give him credit. But we must now draw conclusions.

In the first place we must give priority to comparing systems. What is at stake is indeed the profound renewal of our form of democracy. We communists are betting on stability; a stability that does not diminish politics or democratic values, does not represent the arbitrary supremacy of the major economic powers, but which instead favors renewal and broadening of politics, creates conditions for a richer and freer competition between government proposals, and gives impetus to social renewal. This is the kind of stability on which we are betting. Are the other parties prepared to do so?

Before the rapid decline of an entire political era, while signs of economic difficulty and social unrest are evident and the risks of a serious crisis—a true collapse—can be sensed we Communists have placed the utmost importance on our entire sense of national and democratic responsibility. Are the other parties prepared to do so?

We need to reform immediately and seriously: This is the point. A model system must be developed which, we are told by all sides, can only be gradual in its institutions and its conclusions. Fine. But we must not lose the very sense and extent of this model. It must not drag on, become impoverished, reduce itself to a few proposals for electoral reform made primarily to suit partisan interests. In essence, if the rules must be changed this must be accomplished through a direct commitment to reform parliament. And parliamentary reform itself must establish the basis for a vision of power which creates the conditions for a new government of development and economy.

All this is certainly possible even if we leave out of consideration the present positions of the parties in the government or the opposition. We are not about to raise the problem of government at this time; and yet, a serious commitment for institutional reforms nevertheless requires full shared responsibility of the parties and incredible concentration of will. Otherwise—and this must be borne in mind—it all would deteriorate: The expectations triggered in the country by the current discussion between parties would end up being converted into greater and more risky distrust; there would no longer be many more solutions; and we would have to speak of a democratic emergency. We certainly do not wish to be the bearers of bad tidings, but in the local government units we have already reached the bounds of institutional deterioration.

The Honorable De Mita fears the rise of transformational attitudes, particularly as concerns local government. We do not seek any kind of insertion within a political scheme that is, in appearance, "easy" but in reality short-lived and harmful for everyone. Our objective is not to raise two or more hot issues. We seek a different goal. We wish to respond to the crisis of the political system with pre-eminence of formation programs and with a new planning and governmental capacity. This is the fundamental rule that should be used to measure the commitment to reform of all the democratic forces.

13312/12913

PORTUGAL

Poll Shows Government Popularity Dropping, Ministers' Ranking
35420051a Lisbon *EXPRESSO* in Portuguese
23 Jan 88 p 1

[Text] The popularity levels of Cavaco Silva, the cabinet and the PSD continue to drop, aggravating the decline already reported last month, according to the *EXPRESSO*-Euroexpansao Panel poll taken this week. We will examine the results in our next issue.

The prime minister is now viewed favorably by 51 percent of those polled, after having dropped from 68 percent to 57 percent in December. Meanwhile, unfavorable opinions increased from 5 percent to 10 percent, and now to 15 percent, in recent months. In a parallel development, the cabinet as well has seen its image suffer from further deterioration. After dropping from 46 percent to 40 percent last month, it now shows a reduced "score" of 31 percent (the lowest level ever, near the low popularity levels of the preceding Cavaco Silva cabinet).

Paralleling these simultaneous declines, the PSD too has seen a substantial decline in voters' intentions to support it in January, from 62.1 percent to 45 percent. It appears, however, that this "vote drain" was basically in the direction of abstention, indecision, or blank and null votes. The variations for the other parties were small, although there was a relatively significant increase for the CDU (from 4.1 percent to 10 percent) and the CDS (from 2.4 percent to 6 percent). The PS saw a decline from 25.8 percent to 23 percent, and the PRD from 2.9 percent to 2 percent.

It is clear, finally, that the image of the president of the republic has also suffered, although he retains a rather high level of popularity. Mario Soares, who enjoyed favorable opinions totaling 75 percent in November and December, is down now to 70 percent, although the percentage of unfavorable opinions—2 percent—remains the same.

Popularity Ranking

Everyone in the Council of Ministers is (apparently) on an equal footing with Cavaco Silva. In practice, however, some have more ministerial power than others, as a function of the strategic importance of their actions, their jurisdictions, their resources, their relationships with the leader, and their party strength. In short, the ministers rank as follows, on a scale of zero to 20, in terms of the actual or delegated power they exercise:

- Alvaro Barreto—14
- Antonio Capucho—11
- Cavaco Silva—20
- Couto dos Santos—7
- Deus Pinheiro—7
- Eurico de Melo—18
- Fernando Nogueira—18
- Ferreira do Amaral—8
- Leonor Beleza—13
- Miguel Cadilhe—15
- Mira Amaral—9
- Oliveira Martins—10
- Roberto Carneiro—13
- Silva Peneda—12
- Silveira Godinho—7
- Valente de Oliveira—14

Be that as it may, we can be sure that Cavaco Silva does not want his ministers to settle into lifetime tenancy, and he himself is causing the balance of forces to change.

5157

PCP Dissidents' Views on Congress; Succession at Stake

Internal PCP Document Published

35420050 Lisbon *O JORNAL* in Portuguese

22-28 Jan 88 p 17

[Text] Appendix to Document of the Militants

Proposals Set Forth for a Project To Regulate the [Party] Congress. (Footnote: Addenda to the document drafted by Vital Moreira, Veiga de Oliveira, Silva Graca, Vitor Louro and Sousa Marques, published in the last issue of *O JORNAL*)

1. Organizing Committee for the Congress [COC].

1.1. Constitution

The Organizing Committee is chaired by the secretary general of the party and is composed of (...) members, elected by the Central Committee [CC].

1.2 Election. Party of the membership of the Organizing Committee (e.g., two-thirds) will be chosen by the Central Committee from among outstanding representatives of the large regional organizations, companies, the professional class and sectors of the party. The remaining members will be chosen by the Central Committee from among the members of its executive organs.

1.3 Responsibilities.

1.3.1. It is the responsibility of the Organizing Committee of the Congress to take or propose—depending on the bases—all the measures required to hold the congress.

1.3.2. The Central Committee will expressly confer upon the CPC the statutory competence deemed necessary for the proper performance of the task.

1.3.3. The standards for the arrangement and realization of the congress (Regulation of the Congress) will be proposed by the COC to the Central Committee, which, in a meeting called expressly for this purpose, will deliberate [on them].

2. Preparatory Phase, Debate and Presentation of Proposals.

2.1. Locale.

The proper locales for the debate and presentation of proposals are the Assemblies of Organizations, convened expressly for the purpose.

2.2. References or basic texts.

The proposals and debates shall have reference to the party statutes, the Party Program and any other texts that shall be approved for the purpose by the CC.

2.3. Recording of the debates.

The proposals approved by the assemblies and all those which, although not approved, are upheld by their proponents, shall be forwarded to the (ad hoc) Editorial Committee for the Statutes and the (ad hoc) Editorial Committee for the Program, depending on the material covered.

3. Delegates to the Congress.

3.1. Election.

The delegates shall be elected in Assemblies of the Organizations convened expressly for the purpose.

3.2. Requirements of the candidates.

Nominations for delegate to the congress must be endorsed by at least (...) members present in the assembly and accepted by the candidate, who must belong to the respective organization.

3.3. Form of election.

3.3.1. The elections shall be by secret vote; ballots shall list all the candidates, making it possible to cast a separate vote for each individual candidate.

3.3.2. The candidates who receive the most votes, up to the number of delegates stipulated in the Standards for Preparation and Realization of the Congress for the respective organization, shall be elected delegates to the congress.

3.4. Candidates elected by the CC.

According to the same procedure, the CC may elect up to (...) delegates, without restriction as to the organizational origin of the candidates.

3.5. Automatic delegates.

CC members are automatically delegates to the congress.

3.6. Rights and duties of delegates to the congress.

3.6.1. The delegates shall have the right to participate in the debates and votes, to present proposals and candidates, as provided in the bylaws.

3.6.2. It is the duty of the delegate to be absolutely truthful in voicing his opinions and the reasoning on which they are founded and, if such applies, to report to the congress the labors and views of his organization.

4. (Ad hoc) Editorial Committees.

4.1. In the preparatory phase of the congress, two (ad hoc) editorial committees [C(P)R's] will function: one for the statutes and the other for the Program and for the CC Report to the Congress.

4.2. The CC establishes the composition and designates the members of the C(P)R's.

4.3. The C(P)R's function directly under the secretary general of the party.

4.4. It is the responsibility of the C(P)R's to examine, inventory, and organize the proposals which are forwarded to them and to draft a report of conclusions for presentation to the congress.

5. Functioning of the Congress.

5.1. The congress shall meet in plenary session and by section.

5.2. There shall be three sections: Statutes, Program, and CC Report; and Elections.

5.3. Unless the congress decides otherwise, only plenary sessions will be public.

5.4. On proposal of the COC and without prejudice to the provisions of 3.6.1., in the opening session of the congress, the plenary session will elect the chair of the congress and the chairs of the sections, which will preside over the respective proceedings.

5.5. The sections will discuss the reports of the C(P)R's and the proposals presented or reintroduced by the delegates to the congress and, in the case of the Elections Section, the candidates for election to the Central Committee.

5.6. Only proposals or nominations which have obtained a minimum number of votes in the respective section, as defined in the bylaws of the congress, shall be submitted to the full session.

5.7. Elections in the full session of the congress shall be governed, with the necessary adaptations, by the norms already defined for election of delegates to the congress.

Dissidents' Background
35420050 Lisbon O JORNAL in Portuguese
22-28 Jan 88 p 18

[Text]

Vital Moreira: Impeccable Reputation

Aged 43, Vital Moreira is one of the most respected PCP militants. A native of the municipality of Anadia, he became a professor of the Law Faculty of Coimbra

University and took part in the electoral campaign of 1969 as a member of the CDE [Democratic Electoral Commission], which caused him to be relieved of his teaching duties. In 1979, he was a member of the National Committee of the Congress of the Democratic Opposition.

He was a PCP deputy to the Constituent Assembly and one of the editors of the text of the 1876 constitution. In the Assembly of the Republic, he exercised, with acknowledge brilliance, the function of vice president of his party's bench. At the end of 1982, he was elected as the only communist judge of the Constitutional Court, maintaining his teaching duties at the University of Coimbra Law School. In the 1983 legislative elections, he came out of political retirement to appear, in two rallies, at the side of Zita Serbra, who succeeded him as head of the party ticket for Aveiro.

Veiga de Oliveira: Old Militant

Veiga de Oliveira, aged 59, is a civil engineer. In 1949, he joined the MUD-Youth [Democratic Movement Union-Youth], participating in the academic struggles of the period and in the presidential campaign of Norton de Matos. He joined the PCP in 1953 and went underground 4 years later; he was sent by the PCP leadership to Brazil, where he worked with the exiles' organization. He returned to Portugal as a clandestine party official and participated in the leadership of Lisbon's intellectual sector. Arrested by the PIDE [International Police for Defense of the State] in December 1965, he was tortured. After 5 years, his health ruined, he came out of the Peniche prison.

As a professional engineer, he has designed several civil construction projects. He was minister of communications in the Fourth Provisional Government and minister of public equipment and of public works in the Sixth Provisional Government. He was deputy to the Assembly of the Republic in 1976, 1979, and 1980; he was vice president of the PCP parliamentary group. On 31 May 1984, he submitted his resignation to the parliament.

Vitor Louro: Linked to Agrarian Reform

Vitor Louro, aged 42, is a forestry engineer. He was secretary of state for agrarian organization in the Sixth Provisional Government. In mid-April 1976, he was suspended by the prime minister, charged with having advocated violence in defense of agrarian reform; he was cleared of the charges and resumed office a month later. In 1976 he was elected PCP deputy for Santarem and in 1980 he headed the slate of APU [United People's Alliance] candidates for Viana do Castelo. He currently works....

Silva Graca: Local Government Experience

Silva Graca has a medical degree and has been a member of the PCP since 1962. He served as secretary of state for youth and sports in the Fifth and Sixth Provisional governments. He was president of the Portugal-Mozambique Friendship Association from 1975 to 1982.

The first APU candidate in local Lisbon elections, he was a councilman of the Lisbon municipal chamber in 1976 and was elected deputy in 1981. He became a member of the Local Government Commission of the PCP Central Committee and a member of the Local Committee of Lisbon. In 1980, he was elected to the Scientific Council of the Gulbenkian Institute of Science. In 1982 he served as chairman of the editorial committee of the Decolonization Commission of the International Parliamentary Union in Lagos, Nigeria, at Zambia's proposal.

Sousa Marques: Experienced Local Leader

Sousa Marques, aged 42, was a member of the PCP Municipal Organization of Seixal and participated in the presidency of the Portuguese Council for Peace and Cooperation. He was a member of the Directing Council of the Portuguese Parliamentary Group in the Parliamentary Union. In 1976 he was elected deputy for Setubal District.

PCP Rivalries

35420050 Lisbon *O JORNAL* in Portuguese
22-28 Jan 88 p 7

[Commentary by Caceres Monteiro]

[Text] The recent public expressions of opinion by PCP militants are not simply epiphenomena or artificially created political events. This is not just some group of communists taking isolated action, a momentary imbroglio without a history. The group which has emerged reflects the opinion of people of strong political background; it includes a former vice president of the parliamentary group (Vital Moreira) and a member of the antifascist resistance, who was subjected to extremely harsh trials in prison (Veiga de Oliveira). They have been ministers, local government officials and legislators. The action which has been launched now will have repercussions, probably, in the coming months and years, and the fact that it has happened when the international communist movement is undergoing spectacular change only attests to its consistency. Just as Gorbachev is attempting to resist the attacks of the hardliners in the USSR, the action of these Communist militants in Portugal is already giving rise to intrigue and pressures.

Mario Soares said one day that Dr Cunhal had not changed and would not change. These statements were made not so very long before the PCP secretary general was declaring to the 25th CPSU Congress that the USSR was to the world as the sun is to the earth. Alvaro Cunhal, who is without question a "grand old man" of

communism, met with Gorbachev and one can only guess what was said between the two men. It is certain that Alvaro Cunhal's rhetoric has changed. In two interviews this week, the man who could be considered—not in a pejorative sense—as the "prince of Brezhnevism" not only admitted the errors of Stalinism but also those of more recent periods in the USSR. Subject to strong pressures from the PCP "dinosaurs" (although, in many cases, age is not the criterion here), Alvaro Cunhal has demonstrated in the last few days that not even he can succeed in controlling the bureaucratic forces that are developing in some echelons of the party. Instead of signs of dialogue and the openness that the document of the Communist militants would allow, intransigent speeches such as those of Domingo Abrantes (the PCP's union "boss") of Jose Casanova (who may finally have proved himself as a "dauphin," but a dauphin of the new Stalinists) have only intensified the crisis. In the Central Committee, the race (and the jostling) for power have been quite visible. Cracking the veneer of unity, the muffled battles and the rivalries within the apparat itself are bursting out. Curiously, no one could accuse the "insurgents" of the "Perestroika" of acting out of ambition for power within the party, much less outside the party.

PCP Situation Analyzed

35420050 Lisbon EXPRESSO in Portuguese
23 Jan 88 p 28R-32R

[Article by Joaquim Vieira and Jose Manuel Saraiva]

[Text] Finally, discordant voices within the Portuguese communist Party are being heard in public. Even as some are declaring that the PCP is in a crisis, as did the signers of a critical document entitled "Contribution to the Preparations for the Next [Party] Congress," others are assuring that there is no crisis within the party, as did Alvaro Cunhal in his interview this week on the television program "Front Page." Such dissonance in the most monolithic of the Portuguese parties and of the communist parties in Western Europe is enough to conclude that the Portuguese communists are, in fact, experiencing a crisis.

The first signs of strong disagreement in the PCP emerged in the meeting of its Central Committee last December. At that time, the debate broke out regarding the date of the 11th Congress (initially planned for the first half of this year, but probably postponed until later) and over a document analyzing the political situation, the first draft of which was subjected to a much larger number of amendments than is customary in similar cases. The publication of these reports in EXPRESSO may have given rise to an internal investigation to ascertain the name of the militant or militants responsible for the "leak." In a first phase, the party officials opted to employ the "hard line" to prevent the public divulgence of the internal disagreements.

Meanwhile, the secretary general was going to visit the Soviet Union. Officially, it was a vacation trip, but Alvaro Cunhal certainly met in Moscow with Mikhail Gorbachev and discussed the Portuguese political situation and, quite presumably, the situation of the PCP itself.

Frenetic Week

In the last 8 days, we have witnessed a headlong succession of events following the publication by the weekly O JORNAL of the "Contribution to the Preparations for the Next Congress," signed by distinguished party militants who are usually associated with the idea of renewal, political openness and liberalization of the PCP. Of the six signatories, the names of five were divulged, all of them former deputies: Vital Moreira (now a member of the Constitutional Court), Veiga de Oliveira (former city councilman of Cascais), Vitor Louro, Silva Graca (former Lisbon councilman) and Sousa Marques.

On the same day the document was divulged, the Central Committee Secretariat publicly condemned its publication, guaranteeing that "in the PCP, whose internal life is characterized by democratic methods, the militants have full freedoms and rights." However, no disciplinary measures have been announced against those who may have been responsible for the breach of confidentiality.

Contradictory Signs

In fact, despite the formal declarations by the PCP leadership in support of "Perestroika" (some members even assured that the party was already defending Gorbachev's positions before he announced them), the path which the Portuguese communists will choose is as uncertain as the direction of a deflating balloon.

For every sign that the PCP is open to change, it is possible to find another which indicates a hard line and adherence to tradition. An eloquent example of the first case emerged this week, with the distribution of the first issue of the magazine CADERNOS POLITIKA, put out by the JCP [Portuguese Communist Youth]. It is a bimonthly publication, with graphics that would be astonishing for a political organization, much less one of this type. We need only note the use of the photograph of Humphrey Bogart on the cover. The aesthetic wavers between post-modernism and the Soviet constructivism of the 1920's, before the systematic cultural purge undertaken by Stalinism. However, the graphic innovations are in keeping with the text: The editors allow for a diversity of opinions and a confrontation of ideas (even contradicting the official line of the organization); for example, in the first issue there is a collection of statements by people who are in no way connected with the PCP.

The director of POLITIKA is Nuno Ramos de Almeida, aged 24, a student of economics; he claims he had the full consent of the party for this type of magazine. He

considers diversity to be normal. "We do not share all the opinions," he declared, "and even if we do not agree with them, it is important that the others know what they are dealing with."

'Fashionable Trend'

Ramos de Almeida admitted that the JCP "is not always in complete agreement with some PCP militants," but he added that "the spirit of openness and internal debate has always been possible within the party." The director of the magazine saw its emergence as normal, although later, regarding "Perestroika," he spoke of "taking advantage of a fashionable trend."

In fact, other JCP militants assure that "this magazine would have been unthinkable 3 years ago." According to Ramos de Almeida, it happens that the "people who put it out are only now available to do it—before, there were no people." Perhaps the key to the riddle lies precisely in the fact that these people have become available only now—or that someone has encouraged them. However it may be, the editor of POLITIKA assures that, generally, the impressions of the party regarding the magazine, even among the directing cadres, have been favorable up to now.

A significant part of the magazine is devoted to "Perestroika" in the USSR, even including the translation of pieces (statements, interviews, and observations) published in the Soviet press.

The young sector of the PCP, incidentally, demonstrates an impatient curiosity about what is happening in the Soviet Union. This week the JCP organized a visit to Portugal by a delegation of the "Leninist Komsomol" (Soviet communist youth organization), including a "rock" group, other artists and scientists. One of the high points of the visit was a colloquy in the Lisbon Faculty of Letters on the process of "Perestroika."

'Defamatory' Communique

The lively atmosphere among the communist youth is not shared by the veteran military, however. The incident which best illustrates this is the dissemination of the document of the "reformists." Party sources contacted by EXPRESSO still admit that disciplinary action could be taken against the authors of the text, although Cunhal has indicated otherwise.

In any event, the fact is that, for the first time, an unorthodox document has appeared outside the PCP cells and this is creating shock waves that the party has not experienced for a long time. Even though the authors constitute a group which maintains little contact with the rest of the party system, their stand forces the other militants to ponder the text and to define their own positions.

The results are not yet clear. Although some inside witnesses indicate that the document has not stirred up much emotion, others mention the formation of a movement in sympathy with the proposals that were presented.

Cunhal's Role

Between the "reformist" and "conservative" positions, Alvaro Cunhal emerges more as an arbitrator than the leader of a trend. Despite his age, Cunhal remains the only figure with enough prestige and charisma to pull the whole party together.

This feeling grows as the disagreements intensify and one continues to note the total absence of any figure capable of effectively succeeding the secretary general.

The application of the new message from Moscow to the PCP may be a complex problem for a man who placed himself at the head of a party precisely on the basis of a struggle against what he used to call an "anarchical-liberal trend."

Need for Other Program

Questions arise as to whether the PCP secretary general will be capable of leading such a transformation, not only because of his past performance but also because this process implies drafting a new political program, and the last program which the PCP approved, as a basic thesis, was the one which Cunhal presented to the 1965 Party Congress.

Specifically, the PCP leader will have to arrive at an answer to an important theoretically question: the 1965 program instituted the theory (still in force) of the inviability of the "bourgeois democracy" in Portugal. Meanwhile, it works. What alternative can be offered to the militants now?

This brings up other questions which, at this time, place the Portuguese communists at the crossroads. For example, if the party is remodeled, what direction should it take? Is there a "soft" alternative to the pure and hard line followed now by the PCP? The fact is that no other European communist party has managed to accomplish the "lifting" without falling into a crisis sooner or later—not even the Italian Communist Party, which has been bogged down in political problems of every kind since the death of Enrico Berlinguer. So it is a matter of knowing if, nowadays, a communist party in a European society is still a viable project, beyond a minuscule and insignificant group. The PCP has not yet arrived at an answer to this question and—from the rudimentary nature of its internal debate—it is unlikely to find the answer by the time of the next party congress.

If the party is remodeled, however, it is also important to know with whom. With the possible exception of Cunhal's strong personality, observers have not seen a glimmer of anyone in the highest party ranks with sufficient political ability, charisma and training to promote and to lead such a process—no one, in short, who seems to have the profile needed to lead the Portuguese communists out of the dead end.

No Changes Seen Under Cunhal
35420050 Lisbon EXPRESSO in Portuguese
23 Jan 88 p 3

[Commentary by Jose Antonio Saraiva]

[Text] No one is still in any doubt that this will be a decisive year for the PCP.

The wall that separated the "world of the PCP"—reserved and monastic—from the "real world" has cracked.

This was caused by the impact of five events.

—First, Perestroika, which, contrary to what Cunhal says, does not represent a deepening of socialism, but the adoption by a socialist country of the experiences accumulated by the capitalist societies;

—Second, the defeats registered in two consecutive elections (in which the PCP dropped from 18.5 percent to 10 percent, losing more than 40 voters out of every 100);

—In the third place, the party's manifest inability to impede the absolute majority of Cavaco Silva;

—Fourth, the decadence of the communist parties of Southern Europe (France, Spain, and Italy), which naturally leads communists all over the world to ask themselves what path to take and to worry about the future;

—In the fifth place, the restoration of democracy in Portugal, which makes secrecy difficult, which facilitates the exchange of information and makes it increasingly problematical to maintain a "community apart," whose members only communicate among themselves and abstain from speaking outside the group about their doubts, their anxieties and the internal life of the party.

The PCP could stand up to some of these changes for years.

It survived the radical changes in its mode of operations, imposed by the end of clandestinity and the restoration of political democracy.

It resisted the problems that affected the communist parties which are geographically in closest proximity.

But it has become impossible to resist any longer: the Gorbachev "revolution," the inability to contain the "Cavaco phenomenon" and the election losses made the dike give way.

And now?

Now the most interesting question is what position Cunhal will take in the conflict that sets old against new, that separates those who stood with the party in the times of the dictatorship (and who feel that the years of imprisonment give them special authority) from those who, having appeared on the political scene after 25 April, are more interested in discussing the PCP in light of the present reality than in terms of the past.

Cunhal's position on this matter is important because nothing will be done at this moment in the Communist Party against his wishes.

But could something be done with his approval?

Will the friendships which he established over the years, under the harshest conditions, with his oldest comrades, put him increasingly in their camp?

Or is he in a position to cast off certain ties and resolutely take the part of the young people?

Last Tuesday, on television, Alvaro Cunhal gave no indication of his feelings.

But he left one impression: He will find it difficult to adapt to new times.

The doubts which he voiced about the secret ballot; the way in which he dramatized the fact that a document signed by a group of militants had been publicly divulged (Cunhal, who used to hold that the PCP had glass walls!); and, above all, the astounding confession that the party had been unaware of the "errors of Stalin," as if we were living in the 1960's: all this gave us an idea of Cunhal as a worthy man, but one who is definitely behind the times.

There were things which Cunhal said, ideas on which he expanded, theories which he upheld, which took us back more than 20 years.

This means that the PCP will find it difficult to change with Alvaro Cunhal.

This is not surprising.

Has a communist party ever changed without a change in leadership?

Or, on the contrary, was it precisely the change in leadership which gave impetus to the great changes?

Look at Stalin; look at Khrushchev; look at Brezhnev; look at Gorbachev; and this just with reference to the CPSU.

Like it or not, Cunhal's roots are deep in Stalinism.

With Cunhal as leader, there will be no basic change in the PCP.

The only weapon remaining to the dissidents for some time will be recourse to the outside—by publicizing the proposals that will not otherwise come to the knowledge of the other militants there inside the party and of the rest of the country.

06362/06662

Resurgence of Freitas do Amaral Analyzed

*35420051c Lisbon SEMANARIO in Portuguese
16 Jan 88 p 6*

[Article by Jose Miguel Judice: "Another Battle of the Leaders"]

[Excerpts] Since the reasons underlying the current status of the relations between Freitas do Amaral and Cavaco Silva were explained last week, it would now be worthwhile to contemplate the probable consequences of this situation.

The first result of what is likely to occur is a greater probability that 4 years from now, Cavaco Silva will not enjoy an absolute majority in the Assembly of the Republic unless he destroys Freitas do Amaral in the elections for the self-governing bodies and the European Parliament, which are scheduled for 1989. If this has already been an important year, the one which lies ahead will be the most important political year, in my view truly much more important than the year between October 1990 and October 1991, when the presidential and legislative elections will be held, if all goes as expected. The year 1989 will set the conditions and even dictate the development in this latter period, and will thereby, in practice, very probably determine the direction of political life until 1995.

In 1989, Cavaco Silva can still hope to crush the CDS, and in this way to emerge in the eyes of Soares as someone whom the president of the republic will have as an inevitable and possible ally. If Freitas do Amaral survives, which will mean obtaining results which prove that an absolute majority for Cavaco Silva in 1991 is improbable, then the present prime minister will have to prepare to make a choice between an alliance with Soares, leaving his right flank vulnerable in the legislative elections which will follow, or alliance with Freitas do Amaral, which would create an inevitable institutional tension at the end of the president's term and would leave the left flank vulnerable, even among the present deputies elected on the PSD slates.

The second foreseeable consequence is that the struggle against Cavaco Silva and the resistance of the prime minister will occur on his right flank, at least for as long as the PS fails to reach a conclusion as to who commands there within. And this conclusion will not be reached during 1988, however significant and overwhelming the triumph which Constancio is likely to achieve in the Congress may be.

This struggle between the government and the opposition will be waged on the basis of various strategies and tactics. Cavaco Silva will specify zones for retreat and supplying fresh forces for the battle, and in doing so, he cannot ignore his area of growth on the left, with all that it represents.

But also, there cannot fail to be increasing discontent on his right, for the clear and simple reason that there are now individuals who are channeling this discontent toward the political system and against the government. Cavaco Silva will, then, have to master the skillful manipulation of policies which are hard to reconcile. Whenever a party in power has a strong opposition in its sociological area, governing is very difficult. Soares suffered from this phenomenon 10 years ago, when the communists were strong and the socialists were leftists, and the respective bases of support were much more similar than could be judged to be the case after the battle against Goncalvo and his supporters.

Freitas do Amaral, for his part, will stigmatize the government with a more or less systematic guerrilla war, always demanding more and always offering further reminders of the promises of the PSD, emphasizing ever increasingly that the government now has a majority to do what it wants, and asserting that he is the kind of man who would do what Cavaco is failing to do. Following this guerrilla attack, Cavaco will retaliate, and the CDS will be presented with Freitas do Amaral in a situation susceptible to serious complications for the leadership of the presidential candidate of 2 years ago.

All of this will sour relations and lead to accusations, unease and the collapse of many past projects. But the law of politics is a very strong one, and it does not seem possible that things will develop differently. Unless the leftist opposition reorganizes very quickly and withdraws Freitas do Amaral from his uneven position as the pole opposed to the prime minister sooner than I foresee.

A third consequence will be the great strengthening of the president of the republic. Mario Soares wants to be reelected without bother and without tiresome traipsing about the country. He wants to be elected on the basis of an agreement with the PSD, reversing the Eanist development. To do so, he needs a strong and calm PSD, without fear of disappearance, without anarchy—PSD such as was unavailable to Mota Pinto, and which meant such tiresome effort and inconvenience for the then prime minister, apart from the fear of a sense that the

Belem Palace was almost lost. But he also needs a PSD which is less arrogant and which has no illusions about the viability of getting Belem and Sao Bento into a single basket.

In this connection, the resurgence of Freitas do Amaral is manna from heaven for the president of the republic, and for this reason, Freitas do Amaral will have to attack the Belem tenant with ferocity. This would further limit Cavaco Silva, but he is strategically positioned, and, most important, Soares may again be able to know on whom he can count, a year prior to the presidential elections. Without Freitas do Amaral, Cavaco Silva would win the self-governing bodies overwhelmingly, with the CDS in tow, and he would then be faced with the choice of running as a candidate against Soares, of supporting him or of promoting another candidate. At the end of 1989, given the new scenario, Soares will know what Cavaco Silva can carry off a year later, and what he cannot do.

5157

SWEDEN

Paper Views Situation as Election Year Begins
36500055a Stockholm DAGENS NYHETER in Swedish
31 Dec 87 p 2

[Editorial: "Entering the Election Year"]

[Text] The political debate has been remarkably absent during 1987. Still all of the parties have held meetings and the supply of programs and reports, motions and positions has been almost greater than normal.

Yet reality, and partly the media, focused on other subjects: the smuggling of weapons from Bofors, Bergling's escape, the rise and fall of the stock market. And through the minds of the Swedish people runs, like an emotional stream, the unsolved murder of Olof Palme and the way it's been handled, which has disturbed our feelings of rationality and control.

1988 is an election year. Then the political debate must heat up and the alternatives become clearer. The non-Socialists have the chance to capture the government. It is not unimportant if they do so. Essentially a change in government can deliver useful alternatives: a family policy which is not based on a uniform model of how people should live, a de-monopolizing which helps to liberate the joy of working and produces good alternatives within the social services.

In order to benefit the political climate in Sweden, the non-Socialists need to return and change the picture of division and deficiency left over from their last period in government. The non-Socialist governments between 1976 and 1982 actually had to handle the effects of two

difficult oil crises. Their own want of practice, the disunity and their exaggerated fear of attacks on the part of the opposition and special interest groups did not make it easier.

Opinion polls have shown a continuing trend favorable to the non-Socialists even in the elections of 1982 and 1985. Still the voters elected social-democratic governments as better able to govern Sweden. If the Social Democrats were to receive a mandate to govern during the seventh, eighth and ninth years—after the 44 until 1976—it confirms the feeling that the governing power in Sweden normally belongs to one party and that everything else constitutes historical aberrations that are as brief as they are hazardous.

Democracy is strengthened if the very ability to govern is seen as more equal between the alternatives and the election therefore concerns the actual content of the policies. That is why the opposition has an extra reason, beyond the responsibility that should always be present, to make itself capable of governing in 1988. In that case further proofs are probably needed in order to entrust the power to the non-Socialists. It is certain that more preparations and analyses are required in order for them to master it together.

The agreement on the family policy has got a reception that ought to stimulate all three parties to proceed. It must happen soon, before the requirements of the election campaign for outward fighting takes over.

The degree of real fire in the election debate is affected by how many distinctive changes the parties are seeking a mandate for. There is not much to indicate that the 1988 election campaign will be one of the hotter ones. The leadership of the Social Democrats is now hardly actively seeking to upset the market economy although there are such ideological tendencies within the party. The non-Socialists uphold a welfare state with a heavy tax burden. This is shown in an article by the chairman of the Moderate Party, Carl Bildt (SvD 29 Dec).

The uncertainty about the situation after the election also throws its shadow over the time preceding the election. It concerns the economy as well as the policy.

1988 remains a fairly good year without high unemployment and inflation. However, harmful cost increases from wage negotiations, followed by new convulsions in the world economy, may greatly aggravate the conditions in the coming years. The parties would be wise to consider this and not let the competition before the election tempt them into promising reforms which later would become political millstones. Perhaps it is even a case of the voters being less interested in traditional Christmas presents than in relevant thoughts from the parties concerning larger questions of future significance, such as health care in the 1990's, the environment, schools and the need for changes in the national insurance.

Today nobody knows what the political conditions will be after the election. Will the Environment Party enter the parliament? Will the Left-Wing Communist party have to leave? Will the currents between the non-Socialist parties during the last week become as large and turbulent in 1988 as they did in 1985? Can anyone govern Sweden?

Before the election the voters have a right to demand that the two main alternatives make themselves capable of governing. After the election they have the right to demand that the parties responsibly handle the parliamentary situation which exists at that time even though it might require non-conventional solutions.

In order to stir interest, an election debate must demonstrate a willingness to debate, to pinpoint the opposition and it must show energy and clarity. For that reason, the parties have no need to paint such ghostly pictures of each other's persons and ambitions that it becomes unnecessarily difficult to cooperate later. We will see a fight in the unusually exciting political year 1988. Before the year is over we might also need a broad democratic cooperation.

12339

DENMARK**Armed Forces to Cut 1,000 Officer Slots as Funds Drop**

*36130039b Copenhagen BERLINGSKE TIDENDE
in Danish 29 Dec 87 p 4*

[Article by Nils Eric Boesgaard: "Thousand Officers' Positions To Go"]

[Text] Combining units, modernizing supply services, rationalizing air surveillance and early warning systems, and introducing more job-eliminating technology will make it possible for the military to save money on administration and investments.

"The military will eliminate 1,000 officer positions. In the future, their jobs will be performed by 'cheaper' personnel groups. The cuts will be made by natural attrition and there will be no layoffs," said Lieutenant Colonel Ole Kandborg, public relations director for the Military Command.

"The loss of these positions is part of an extensive rationalization program that the military is now undergoing. These measures will save about 100 million kroner," Ole Kandborg said. He added that the elimination of officers' jobs was occurring in accordance with the new personnel law, which states that some of these positions will be taken over by sergeants and civilians.

"The savings are a result of ongoing modernization, restructuring, and rationalization that would probably leave most large, private, corporations breathless," added Ole Kandborg, who denied that the military was still an "immovable colossus that has not changed since the War of 1864."

Among the most striking rationalization projects accomplished so far are the combining of the Royal Artillery Regiment with the Zealand Artillery Regiment and the closing of the Holbaek Barracks. This will save 50 million kroner in investments and 6 million kroner per year in the operating budget.

Another area in which major savings are being made is the supply and support structure of the navy, where annual savings of 36 million kroner are expected.

Streamlining the Army Materiel Command is also expected to provide savings of 22 million kroner each year.

Large-scale personnel reductions have already been made, for example, in the air surveillance and early warning services, where modern technology has eliminated the need for 250 men. A similar number of positions have been eliminated from the logistical support structure of the air force.

In the navy, the Military Command expects to save money by introducing the new Standard Flex 300 ships, which will replace three older types of ships that have become expensive to operate and maintain.

The army is now investigating the possibility of purchasing 110 used Leopard tanks to replace its worn-out 30 year old Centurion tanks. The military already has a significant number of Leopard tanks and some money would be saved on maintenance.

Finally, the military is in the process of transferring responsibility for the operating budget to the local authorities. The goal is to delegate responsibility in order to create coherence in the carrying out of assignments, so that whoever has the responsibility of performing a task also can obtain and prioritize the resources that are available.

The decentralization program has three levels: the Defense Command, command authorities, and local authorities.

"The superior authorities set goals and frameworks, while the local authorities carry out the work and suggest new goals. Decentralization will begin on 1 January in the Army and at the military schools. We see 1988 as a trial year. Beginning on 1 January 1989 decentralization will continue in the Navy and Air Force," Lt Col Ole Kandborg said, and he concluded:

"The purpose of decentralization is not exactly to save money, but to achieve the best possible results for the money that is available."

09336

Career Naval Personnel Retiring Early as Morale Plummet

*36130039c Copenhagen BERLINGSKE TIDENDE
in Danish 23 Dec 87 p 12*

[Article by Nils Eric Boesgaard: "Professionals Leaving Fleet"]

[Text] During the past year, 16 percent of the regulars and 3 percent of the officers have left the navy due to lack of support by the politicians and in order to earn higher wages in civilian life.

During the past year no less than 16 percent of the regular personnel left the navy. During that same time, 3 percent of the officers have been enticed away by offers from private business.

"Thanks to an extraordinary effort, we have been able to maintain our level of preparedness, but eventually this will certainly have an impact on the situation," wrote naval inspector Rear Admiral Mogens Telling in SOVAERNSORIENTERING.

The seriousness of the situation was clearly expressed in BERLINGSKE TIDENDE of 21 December, when future Naval Operational Command chief Hans Garde said that our frigates could be manned only by borrowing men from other ships.

Rear Adm Telling did not discuss directly the reasons for the exodus from the navy, but he announced that the navy has asked the Military Leadership Center to examine the problem.

09336

FINLAND

Holkeri Demands Interceptor Acquisition Be Political Decision

Important for Defense Consensus

36170033 Helsinki HELSINGIN SANOMAT in Finnish
9 Dec 87 p 16

[Text] The procurement of new interceptor aircraft for the Air Force must be resolved by a political decision according to Prime Minister Harri Holkeri (Conservative Party member). Holkeri spoke on Tuesday to the National Defense Course.

At the same time, according to Holkeri, we must be able to make certain that the development of land forces presently in progress will be brought to a conclusion in accordance with the plans.

According to Holkeri, the most demanding challenges of national defense are connected with the costs of defense materiel, which are rising considerably more rapidly than predicted.

"It is doubtful that it will be possible to fit the acquisition of new interceptors into the framework of the present defense budget. In the acquisition there is, however, a question relating to an important part of Finland's neutral policy or the acquisition of equipment needed for territorial surveillance and the protection of territorial inviolability," said Holkeri.

In thinking about the defense possibilities of the next decade, it is important in Holkeri's opinion that a common political understanding of defense questions be preserved. Holkeri pointed out that the usual time span for the planning of defense procurements is 10-15 years.

Even though it would appear to be difficult to form a new parliamentary defense committee at this time, it would in Holkeri's opinion be beneficial to give careful consideration to various other alternatives. "Whether the cat is black or white is not the most important thing, what is important is that it is able to catch mice," he points out.

The Parliamentary Defense Committee's estimate, according to which the unit prices of weapons will increase on the average in Finland at a rate of 5 percent faster than inflation, is rather more cautious than exaggerated according to Holkeri.

Big Arms Requests Coming

36170033 Helsinki HELSINGIN SANOMAT in Finnish
13 Dec 87 pp B1-B2

[Text] The military is talking about a bill to parliament in the billions of markkas. The political will of the politicians is, however, weakening.

The consensus which has favored Finland's defense budgets for a long time already may be put to a difficult test when the defense forces officially place their wish for new interceptor aircraft on the table.

Defense Minister Ole Norrback (Swedish People's Party member) said earlier in the fall that this parliament will have to make a decision on an interceptor deal. The MiG- and Draken-destroyer aircraft are become hopelessly obsolete.

The renewal of fighter planes will be a billion-markka project, the highest estimates are around 6 billion markkas—although the bill will be paid over a 10-year period.

When the scale of the destroyer transaction became public — indeed, as an unofficial conjecture—the issue was met with the usual sigh: there are so many other needs.

But now the chief ruling party, the Social Democrats, has awakened. The brakes will be applied. The party has no other choice. The Social Democrats listen closely to President Mauno Koivisto, who is stingy when it comes to the distribution of arms money. His interview on Saturday attested to this: Koivisto does not want an increase in defense appropriations.

The situation may be changing quickly in other respects.

One reason is the missile treaty signed by the leaders of the United States and the Soviet Union on Tuesday in Washington. Thousands of nuclear weapons will be literally destroyed.

Is little Finland in danger of ending up in a bad light with its arms deals if even the superpowers are able to promise new disarmament measures? A major gesture has been made—in the excitement it is, indeed, possible to forget that the importance of conventional weapons will increase. Therefore, Finland can end up under the scrutiny of the magnifying glass.

The more alert MP's may soon ask in the manner of Reino Paasilinna (Social Democrat): "Is Finland giving the wrong signal?"

Tranquil 1970s

Finland invests approximately 1.5 percent of the gross national product in military defense. This is 5 percent of the state's total expenditures.

This contribution is, however, one of the smallest in Western Europe. We are in the same league with neutral Austria, but far behind Sweden and Switzerland.

A share of 1.5 percent (6.05 billion markkas in next year's budget) has been politically tolerated quite well. It was especially tolerable at the turn of the last decade when the growth of the national economy was considerable. Seppo Westerlund, who was involved with defense matters throughout all of the 1970s, says that the purchase of 50 Hawk training destroyer aircraft, for example, at the end of the 1970s was easy. Westerlund, who served in the Parliamentary Defense Commission, the parliamentary defense committees, and for a while as defense minister, recalls that the attitude was primarily one of approval: this is what must be done.

While serving as defense minister, he asked Kekkonen whether the president considers more frequent meetings necessary. Kekkonen did not answer. Westerlund interpreted the silence to mean that the president did not consider close communication to be necessary.

Kekkonen's solution was understandable. At that time, there was a parliamentary defense committee, which had already extensively considered the needs of the defense establishment and above all the kinds of weapons the Army would need.

Kekkonen was also very satisfied with the leadership of the defense forces. General Lauri Sutela enjoyed his trust.

Sutela's predecessor, General K. O. Leinonen, was only a transitional man. He was primarily in the post to alleviate President Kekkonen's disappointment in General Yrjo Keinonen.

Keinonen, who was commander of the defense forces for only a few years, (1965-1969), committed two serious errors. He interpreted the YYA [Friendship, Cooperation, and Mutual Aid] Pact according to his own thinking and he went directly to Kekkonen to request money for the needs of the defense forces. Keinonen was fired when it was disclosed that he had used recruits to build his summer cabin. This was, however, only a formal reason.

Storm Rising

The term of Lauri Sutela, Leinonen's successor, (1974—1980) was a time of even and stable development for the defense establishment. Storm clouds, however, began to appear at that time already on the distant horizon. Now they are almost on top of us.

The catch word of officials talks about so-called technical increases. This means that weapons will become increasingly expensive.

For example, combat aircraft are 10-15 percent more expensive than in the previous year.

General Jaakko Valtanen, the present commander of the defense forces, has been compelled to struggle with a shortage of money almost in the same manner as his predecessors did in the 1960s and 1950s. He has become a "whiner".

The Third Parliamentary Defense Committee, which submitted its report in the summer of 1981, provided a clear framework for the materiel development of the defense forces or the procurement of weapons and equipment. Its successor, the Parliamentary Defense Commission (1985—1987), which was created with considerable difficulty, however, was compelled to confirm that appropriations were lagging far behind the recommendations of the defense committee.

A deficit of approximately a billion markkas has been created even though things went well initially. The current year and next year are "black" budget years.

General Valtanen said at the opening ceremonies of the 1986 National Defense Course: "If national defense is treated as mere a budgetary matter, then we are headed on a precarious path from the point of view of security policy."

He hardened the message when he spoke to the Association of Chief Editors a couple months later. In April 1987, he stipulated that appropriations correspond with the recommendations of the defense committees if the intent is to maintain the tasks of the defense forces "for the most part at the current level".

In September, Valtanen demanded the formation of a new parliamentary defense committee and once again, of course, for the reason that weapons procurements could be secured for the defense forces.

Valtanen has talked about the paucity of defense appropriations in the same as manner Cato talked about the destruction of Carthage; always and everywhere.

He is not the only one who is concerned.

People in the defense administration are wondering how the challenges of the future will be met if the money is not increased.

In the opinion of many officials, the issue is made essentially worse by the fact that a new defense committee has not been formed or even a parliamentary organ that remotely resembles such.

Officials in the defense administration feel that they are at the mercy of knights of the red pen in the Finance Ministry.

Hundreds of millions of markkas disappear from budget proposals, and parliament is of no help: "It is unanimous only when we receive very little money," a certain official said bitterly.

Why is there not a new defense committee or commission since we are, indeed, faced with major challenges in the future?

"The political will to establish a new committee is not very great," admits Defense Minister Norrback. "Committees are avoided, in general, and a defense committee, in particular."

Norrback's proposal is the formation of a security policy advisory committee comprised of leaders from political parties—and perhaps even some experts—"since a committee is impossible at least at this time". An advisory committee, however, would convene only a few times a year, and it would not be such a prestigious organ of experts as was the defense committee. It would be primarily a channel of information and debate between the defense administration and parliament.

There are certainly several reasons for the lack of political will. One is, of course, the fact that the defense committee did succeed in squeezing out money rather easily for the defense forces. They functioned like slot machines.

This did not please the left wing. Now that large arms deals are in the offing, the left wing does not want to tie its hands again in a new defense committee. Coexistence with the Conservative Party in the government is even, otherwise, hard to swallow.

But then this is only politics of the day.

Placed in a broader context the problems of the defense establishment have become increasingly complex as the 1980s advance. Even though an oath of unanimity is taken, individuals other than the People's Democrats and Communists ask unfortunate questions.

Does Finland, indeed, need a reserve of 700,000 men? Is Finland's defense doctrine obsolete? Why is Finland procuring new weapons when they become obsolete ever more quickly because of technical development?

Why does Finland arm itself when even the superpowers are eliminating weapons?

Reino Paasilinna asks in the manner of many left-wing politicians, but also several bourgeois politicians "if Finland is walking backward and looking at the past".

"If pushing buttons on Wall Street threatens to bleed Finland's currency reserves outside of the country's borders, is this not warfare? In such an event, the help of the generals is not enough..."

In Paasilinna's opinion, Finland should conduct a new analysis, an assessment of the situation. We should be prepared to observe signs of a crisis far beyond the nation's borders. Indeed, radar and aircraft are needed for this just as much as diplomats—but what do we do with an army of hundreds of thousands of men, for example?

The new "threat scenario" imagined by Paasilinna has been considered in the Defense Ministry, an assessment of the situation has already been made.

Doctor of Political Science Pauli Jarvenpaa, a research specialist in the ministry, says that the concept of an enemy coming from a certain direction is obsolete and incorrect.

He talks about a multiform threat which will force Finland to remain on top of the situation by all possible means and to react quickly and effectively to a challenge.

"If a crisis comes, it will mean a total effort for such a small country since we must be able to control the crisis. Finland must be able predict future situations. The armed forces must be at a high state of readiness and preferably a half step ahead of those who would threaten us. The objective is that a crisis would not advance to the shooting stage, at least in Finland. We must be able to demonstrate that one does not come here like a wolf. Finland has no need to become involved in a war."

"We are not acquiring weapons for the reason that we would want to use them. Fire insurance is taken out for an emergency," says Jarvenpaa.

Controlled Structural Change?

The insurance premiums only increase, especially in this area.

Prime Minister Harri Holkeri described the existence of the problem in the following manner when speaking to the National Defense Course on Tuesday: "It is now already known that the acquisition of new interceptor aircraft, scheduled for the middle of the next decade, will come up along with current funding needs. It is doubtful that it can be accommodated within the framework of the present defense budgets."

Thus more money?

Yes, says Defense Minister Norrback.

"Interceptor transactions are of such a large scale that if there is a desire to develop the other branches of the defense forces, it will be necessary to temporarily increase the defense budgets for a few years."

He does not want to make a decision on matters of such a large scale nose to nose with Finance Minister Erkki Liikanen (Social Democrat). For this reason, Norrback is attempting to bring about a security policy advisory committee.

He believes that there is still sufficient consensus so that the interceptor deals can be dealt with and the defense forces will receive the necessary funds. There is no shortage of skeptics, however.

How will such a large cake, 6 billion markkas, be fed to parliament since the chaser being offered along with it is a bill of another billion markkas because of weapons procurements that were not submitted?

The blue-red government of a blue-white country may end up talking about structural changes in the administration of the defense forces for a long time.

Paper Comments on Acquisitions
36170033 Helsinki HELSINGIN SANOMAT in Finnish
15 Dec 87 p 2

[Editorial: "Head in the Sand in the 1990s"]

[Text] Little attention has been given in the structural change speeches to the fact that even the defense forces will be faced with inevitable structural changes due to cost pressures. The cost of many weapons systems is increasing at an annual rate of 15 percent. What do we do in that situation when a decision must be made on replacing present interceptor aircraft with new ones in the 1990s?

Are we prepared to raise the level of our defense expenditures? If we are not, we must redefine the tasks of our defense forces. Will we then compromise the surveillance of the inviolability of our airspace or will we preferably place the expediency of maintaining a large-scale reserve army in the balance? How do we intend to proceed?

The politicians have, for the time being, closed their eyes to the problem, except for the defense ministers. Prime Minister Harri Holkeri, on the other hand, touched upon it shortly at the opening ceremonies of the National Defense Course a couple years ago. He considered the acquisition of interceptor aircraft to be a central element from the point of view of our neutral policy. At the same time, Holkeri, however, admitted that it is doubtful that it will be possible to include it in the framework of current defense budgets. Political decisions are needed. Holkeri also stated that it will be difficult to bring about a parliamentary defense committee and he proposed that "various other alternatives" be considered.

One difficulty in this is that the SDP has reacted negatively to the formation of a defense committee. At its congress last summer, the SDP confirmed its negative stance on increasing the real growth of defense expenditures. President Mauno Koivisto is in agreement with the SDP.

The reason for Koivisto's reluctance is his desire to avoid the starting up of a new discussion on various military threat scenarios, which may lead to areas that are sensitive from a foreign policy point of view. Koivisto also has other reasons to oppose the establishment of a defense committee, as he admitted in a newspaper interview published over the weekend.

Koivisto said in the interview that in an international comparison Finland has used rather few funds for building its own defense readiness. It is, however, difficult for him to see a future situation for which our position would be changed.

In Koivisto's opinion, it is rather questionable to establish a committee to raise sights higher if additional money cannot be promised. According to Koivisto, the recommendations of the Third Parliamentary Defense Committee already were to be treated "more as an expression of sympathy than a promise of money". The recommendations were subsequently accomplished primarily because of the situation that came about in Soviet trade.

The President's stand this time is exceptionally clear and will certainly not please the leadership of the defense forces. It also appears to be in disagreement with Prime Minister Holkeri's views. The President's stand will not, of course, tie the hands of the parties. Koivisto, however, most probably represents the reality on the premise that there is hardly a readiness for a perceptible increase in the relative share of defense expenditures.

What is even more relevant is to initiate a clarification and an open debate in a forum with parliamentary representation on the kinds of choices Koivisto's realism will force us to make in practice. It will be a matter of putting our heads in the sand, decision-makers and citizens alike, if we attempt to deal with difficult questions by remaining silent or by sweeping them under the rug.

10576

Koivisto Emphasizes Importance of Arms Reduction on Seas

36170032b Helsinki HELSINGIN SANOMAT
in Finnish 13 Dec 87 p A10

[Article: "Koivisto Emphasizes Importance of Naval Disarmament"]

[Text] The reciprocal value placed on defense and foreign relations in Finnish security policy is not changing, according to President Mauno Koivisto. In an interview

given to the Press Information Service, the president emphasizes that efforts should be made to find mainly political solutions to security questions.

The president considers historic the agreement to destroy short- and medium-range land-based nuclear missiles. In his opinion, it is essential to pursue disarmament in every way so that agreements are also reached on conventional weapons. What raises hopes, according to Koivisto, is the estimate that industrial countries do not have the funds to increase their conventional weapons substantially.

Koivisto underscores the reduction of sea-based weapons as an issue especially important to Finland. In Koivisto's opinion, these weapons are found to cause Finland political problems in peacetime, too.

"We've gone on the assumption that efforts should be made to find mainly political solutions to security questions. Security can be improved only to a very limited degree by increasing military capacity. Of course, we must take care to be prepared to defend our country," said Koivisto in the interview published Saturday.

"We can justifiably say that in comparison with other countries Finland has used few resources to build up its defense preparedness. It's hard for me to see any future situation which would cause us to change our attitude," noted Koivisto.

He said that when he was prime minister he played a part in convincing the Social Democratic Party to endorse the report of the third parliamentary defense committee. "I said at that time that I would tell the leaders of the armed forces the report should be understood more as a show of sympathy than a promise of money, and I did."

The committee's recommendations were implemented, according to Koivisto, mostly because a situation favorable to purchases arose in Soviet trade.

Koivisto says he has adopted a critical attitude toward the appointment of defense committees. "It is somewhat suspicious that the crossbar is consciously raised if it does not also mean that money is promised. The committees have not promised that and haven't been able to promise it, either."

Koivisto says he favors a military preparedness law within whose framework a representative democracy can vigorously participate. "That would give us a better chance to handle a crisis whose cause is other than clearly external," said Koivisto.

He thinks it is scarcely possible for Finland to promote disarmament in the international community through ostentatious initiatives. The president believes that quiet diplomacy is a better way for Finland to achieve its goals.

Worried about a weapons buildup at sea, Koivisto refers to the copious material on naval strategy published in recent years, especially in the United States.

"The navy has submitted very detailed plans on how it must move, early in the crisis, to the other party's power base in the northern seas in order to menace with conventional weapons submarines which carry nuclear weapons. These are waters fairly close to us. It's frightening to read plans like that," observed Koivisto.

12327/9604

Country's Diplomats Wary of FRG's Joining Norway Exercises

36170032a Helsinki HELSINGIN SANOMAT in Finnish 20 Dec 87 p A20

[Commentary by Vesa Santavuori]

[Text] Many important aspects of security policy are still treated cautiously in Finland. Proof of this is the silence with which Finns have responded to the Norwegians' tumultuous exchange of views on the possible "return to Norway" of the Germans.

It was officially announced that Finland's diplomatic corps has received strict instructions not to enter discussions of the "return" of German combat forces to Norway to train as one unit of NATO, the Western alliance.

In an interview published a few weeks ago in the Norwegian newspaper *AFTENPOSTEN*, President Mauno Koivisto himself told about prohibiting Finnish diplomats from discussing security policy.

Total Silence

Several foreign journalists were present on the occasion in question. According to *AFTENPOSTEN*, it was German newspapermen who asked the question about the return of the Germans.

The question silenced the president momentarily, says *AFTENPOSTEN*. Koivisto then replied that because he had muzzled his diplomats on this issue, perhaps it would be wisest for him not to say anything, either.

"The return of the Germans" is in many respects a very sensitive and in other respects a very topical issue right now in Norway and throughout the Nordic countries. So sensitive that alarm bells have been rung officially and publicly, even in Helsinki.

The issue was brought to life by Canada's announcement that its so-called CAST brigade would cease the readiness maneuvers which are related—within the framework of NATO cooperation—to protection of northern

Norway during a crisis. Canada wants to distribute its military resources in a way which makes more up-to-date allowance for what Canada regards as an altered strategic situation.

On the other hand, the defense of Norway is largely based on the expectation that when a possible crisis erupts, Norway will soon receive aid from the Western alliance in the form of reinforcements. The CAST brigade is one important part of the reinforcements.

Bitter Memories

Somebody is needed to replace Canada, insists Oslo. One possibility that has been mentioned is West German troops as part of a multinational NATO unit. The question of Germans is quite ticklish, however. During the Second World War, Hitler's Germany occupied Norway and destroyed Ruija, which left bitter memories.

Then again, some newspapers in Oslo have stressed that the YYA (Friendship, Cooperation, and Mutual Assistance) Treaty between Finland and the Soviet Union specifically mentions the German threat.

The newspaper DAGBLADET, among others, claimed this autumn that allowing German combat forces to train on Norwegian soil could furnish the Soviet Union with an opportunity to demand consultations with Finland, consultations implied by the YYA Treaty. The article seemed to warn Norwegian policymakers that if the Germans were permitted to come to Norway, then Finland would be lost.

To Finnish ears, that idea sounds a little too altruistic to be completely true. The fact is that many citizens of Norway still view unfavorably the return of German troops to Norwegian soil, even though it boils down to maneuvers for Norway's defense.

Norway's Interests and West Germany

Present-day Norway belongs to NATO, of which the Federal Republic of Germany is also an energetic member. The Federal Republic's position will be strengthened if the United States' presence in Europe "thins out" in the future.

West Germany is also strong in the European Community, whose economic and political cooperation Norway needs. The idea of membership in the European Community has been tossed around again in Oslo, so that official Norway has many reasons to try not to hurt feelings in Bonn.

It is obvious that by bringing up Finland's YYA Treaty Norway is able to increase its own freedom of action more than help Finland.

When HELSINGIN SANOMAT asked Oslo officials direct questions on this issue, the responses were unambiguous. "People in the mass media have looked at the matter too narrowly," one official was heard to reply. There certainly does not exist "in principle" a single obstacle to the Germans' return to Norway, HELSINGIN SANOMAT was assured.

Perhaps an even sharper statement—from Finland's standpoint—was rattled off by retired Norwegian air force General Werner Christie.

Because of withdrawal of Canada's CAST brigade, he calls for an end to the Norwegian military-base policy which does not allow the permanent placement of foreign states' troops in Norway in peacetime.

The reinforcements Norway needs can only be guaranteed by permitting permanent NATO bases, the general seems to mean. Some members of the Norwegian press have also insisted that Norway consign to the scrap heap the very restrained military-base policy it has followed so far.

General Christie said this about making allowance for Finland:

"The fact that Finns want moderation from the Norwegians is one thing—it strengthens their positions in the Soviet Union. But it's another thing whether they want this (having allowance made for them) in reality."

The general doubts that the Soviet Union really wants to start anything with Finland. After all, Finland is the "best and safest neighbor in the West—much better than Poland, Czechoslovakia, or the other Warsaw Pact countries."

12327/9604

NORWAY

Armed Forces' Stocks of Ammunition, Missiles Seen as Inadequate

Shortages, Obsolete Materiel
36390026 Oslo AFTENPOSTEN in Norwegian
16 Dec 87 p 3

[Article by Liv Hegna: "Half the Amount of Ammunition; Army Does Not Meet NATO's Goal"; first four paragraphs printed in boldface and preceded by bullet in original]

[Text] The armed forces hope to meet half of NATO's goal for ammunition supplies.

The stocks are not always located where fighting is expected, and they are partly conveyed by civilian vehicles which have no protective weapons of any kind.

Most of the land mines are old, semirusted and unable to incapacitate Soviet tanks.

The average soldier gets little training in marksmanship.

Military officers are obliged to resist by all available means an armed attack on Norway. This is clear from the Royal Resolution of 1949. Not included in this agreement, however, is an obligation to see to it that the military has the proper resources in a critical situation.

For the time being, Norway's national goal for ammunition is 50 percent of NATO's goal. Norway's goal will not be reached for 2 or 3 years, the armed forces' general headquarters informs AFTENPOSTEN. In the long run, the armed forces hope to reach 60 percent of what our allies think is the minimum for a 2-month battle. The reasons for the difference between NATO's and Norway's goals may lie in battlefield concepts and the terrain where acts of war are expected. In reality, the reasons are economic. Ammunition functions as a balancing post in the blueprint.

A Soviet division will measure 250 kilometers when it is stretched out along the road. Airplanes—and especially the 300 allied planes and helicopters that will quickly be on the scene in northern Norway—play a major role in the fight against the advancing enemy. Because the range of our own 155-millimeter field howitzers is now 18 to 24 kilometers and will later be expanded to 30 kilometers, the artillery is better able to keep up the fight. Starting in 1989, modernization will encompass the purchase of so-called Cargo ammunition, i.e., ammunition with 50 to 60 charges in each unit. However, no one has mentioned the purchase of laser- or terminal-guided Copperhead grenades, which are shot from conventional firearms and which guide themselves toward the target during the last phase of the trajectory. Possibly there is a similar type of ammunition which is used for the two double 130-millimeter cannons on board the Soviet destroyer of the Sovremenny class, which was introduced into the northern fleet a couple of years ago. The cannons with target-seeking missiles are very effective support weapons during landing operations. Ammunition of this type is said to be the first step toward erasing the difference between "dumb" artillery ammunition and rockets.

Armor

When it comes to rocket ammunition for use against armored vehicles, the army is in fairly good shape with several hundred 127-millimeter rocket systems of the TOW type. The question that has recently popped up in NATO circles is what can be done now that Soviet tanks are gradually being equipped with so-called reactive armor, which consists of small explosive charges attached to turrets and hulls. Upon being hit by TOW, for example, these explosive charges are detonated, produce a "countereaction," and reduce the effect of the hit

significantly. Not only TOW but also other allied anti-tank weapons like HOT, MILAN, Swingfire, Dragon, and LAW 80 will be affected by this development.

Mines

The armed forces have a significant number of land mines, probably 100,000 in northern Norway alone. But these M 15 mines are old and semirusted. Their explosive charges are weak that it is doubtful they could knock out a modern tank. Another weakness of the M15 is that it can easily be destroyed by fuel bombs. However, for economic reasons the army has decided not to modernize these mines. It will, therefore, be a challenge to the soldiers to exercise their ingenuity and lay one mine on top of the other to double the effect.

Otherwise the armed forces have recently ordered some French broad-range antitank mines as the beginning of a modernization program for mine weapons.

The purchase of mines that can be shot from guns and thereby laid very quickly is an idea that will not become reality until the next century, according to information received by AFTENPOSTEN. Besides, this course of action is complicated by international law, because it is difficult to get every single mine registered. Registration of the entire minefield will probably be the solution. Such a minefield will effectively hamper an advancing enemy, especially in northern Norway where the terrain seems largely channeled by mechanized units.

Light Grenades

The Soviet Union has turned "night into day" by introducing electro-optical equipment on a large scale. Electro-optics intensifies the light from the moon and the stars and reflections from clouds. The soldiers' sight does not depend on daylight. The optics is entirely passive and undetectable in the field.

To an increasing degree, the Norwegian army will start using modern snooperscope weapons. But they are very expensive. For example, average-quality civilian binoculars for hunting cost nearly 100,000 kroner. Military equipment will be proportionally much more expensive. The army must continue to rely on broad use of light ammunition, of which there are significant shortages. The army is in poor shape when it comes to light grenades and smoke grenades.

Balancing Post

From time to time there appear newspaper headlines to the effect that ammunition is being wasted or that the restrictions imposed on quotas are much too large. Approaches to the problem reflect a "policy" of the armed forces: when new ammunition is introduced, it should be set aside to build up stocks. In the meantime, you can shoot as much of the obsolete ammunition as

you want. As a result, marksmen know little about the use and impact of the new ammunition. Firing live cartridges is essential for developing confidence in your skills.

During the entire postwar period, the purchase and construction of artillery ranges has been a "problem child" for the armed forces. The army has a good artillery range at Hjerkinn, but the firing of live cartridges with the Swedish-produced antiaircraft system Robot 70 must take place on the other side of Kjolen; to be more exact, at the artillery range in Vidsel. In return, it happens that the average soldier is not a bad marksman if he is just given a chance.

Norwegian soldiers must continue to wait for modern small firearms. The AG 3 rifles will not be phased out until the turn of the century. Many NATO countries have introduced lighter and equally effective ammunition. The Norwegian military has decided to wait for the next generation of small firearms. A strong candidate to replace the AG 3 is a new German weapon with casing-less ammunition and a rate of fire so far unknown.

Stocks

On the one hand, the wish for advanced stocks with the danger of loss or misuse and, on the other hand, the wish for central supplies with the danger of destroyed conveyance roads have led to compromise solutions concerning ammunition stocks in the army. Replenishment occurs partly by organic means of transport and partly with requisitioned civilian trucks. Civilian helicopters are also being considered for use in transporting ammunition. These means of transport have no protection. The reloading sites are especially vulnerable to the growing threat from the formidable combat helicopters which the Soviets are introducing in the north.

Navy Lacks Enough Missiles

36390026 Oslo AFTENPOSTEN in Norwegian
17 Dec 87 p 11

[Article by Liv Hegna: "Navy Has Minimal Supply of First-Round Rockets"; first three paragraphs printed in boldface and preceded by bullet in original]

[Text] The navy has only enough rockets and missiles for the "first round" of a war. The reason is that rockets are so expensive it is impossible to have large reserve supplies within the confines of the defense budget.

Cutbacks in operating expenses have resulted in major restrictions on shooting practice with rockets and grenades, something which will reduce the effectiveness of the weapons because of the shooters' lack of experience.

There is a glaring shortage of antiaircraft weapons for both the permanent coast guard installations on land and for the mobile units at sea.

Even though naval vessels today operate at a reassuringly high level, their number is down to a minimum for several reasons. As a result of the dilatory manner in which politicians make decisions, there are all too few operative minelayers in relation to the need. The modernization program which the five frigates will undergo makes fewer escort vessels available than otherwise. In addition, the program will be delayed because of problems at the Kongsberg Weapons Factory and the company's current difficulties with subcontractors. The really big question for the navy in connection with the Kongsberg Weapons Factory is the uncertainty about future deliveries of the navy's chief weapon, the Penguin rocket.

The navy is now forced to discuss a balance between cheap artillery ammunition which requires heavy cannons and expensive rockets with low weight. The investment in missiles came in connection with the Naval Plan of the 1960s, when vessels were smaller and cheaper. The navy was reduced to a coast guard, and preventing an invasion was its main task. A family of weapons for this purpose was developed at the Armed Forces Research Institute, and the Penguin was the final choice. This weapon has been deployed on vessels since 1972 and was delivered to the Turkish, Greek, and Swedish navies.

Even though a Penguin weighs roughly half what an Exocet rocket does, for example, it is not a cheap weapon. A Penguin costs about a million kroner. The number purchased is therefore very small. There are not many Penguin rockets in reserve. Naturally, it does not make the situation any better that the navies of allied countries also sail around with "holes" in their missile supplies. If, however, the naval vessels are in place at the right time and cooperate with installations on land and under water, the loss percentage of an invading force will be unacceptably high. If an amphibious force is reduced by 20-30 percent, the force's strength and morale are affected to such a degree that the operation cannot be carried out.

Command Control

It was a slipup, to put it mildly, that in the early 1970s no command control was adapted for the Penguin, the navy's chief weapon, when it was first put to use. When the modern MSI 80 came, the navy was able in an satisfactory way to gather information, present it on a tactic screen, and deliver the rockets with necessary accuracy. The general view is that if half the navy's Penguin rockets hit "worthy" targets, nearly maximum effectiveness will be achieved.

But if the rockets are to be guided toward their targets without fear of being "jammed," or disturbed by Soviet electronic devices, there must be a changeover to more advanced technology. The missiles will then be even more expensive, and it will be hard to get the effectiveness numbers to add up.

Practice

In contrast to missiles, artillery grenades are "dumb," i.e., they cannot be diverted or fooled by the electronic devices the Warsaw Pact countries are experts on. The fire control systems are not dumb, however. This is a drawback. But one advantage of artillery is that the grenades are relatively cheap, so the navy can afford to practice in this field. The navy's stockpiles of artillery ammunition are located all around the country in places where there is expected to be a use for them.

There are no stockpiles of the air-target rocket Sea Sparrow to speak of, and the supply of Penguin rockets is rather small. Shooting practice with these weapons has been reduced to a minimum. The troops get a chance to discharge the weapons only once or twice a year. As a result, errant shots must be accepted now and then. The last time the public heard about a blunder with a Penguin rocket was in 1984 when one veered off course during shooting practice and landed outside Stavanger.

However, economy requires the navy to restrict the consumption of cheaper ammunition, too. During the last 6 or 7 years, the consumption of practice ammunition for the frigates' cannons has been cut in half. Yet Norwegian quotas continue to be big in relation to the NATO standard. Cannons on Norwegian frigates are shot once a week.

A disproportionately large number of Terne rockets, the chief antisubmarine weapons in coastal waters, has recently been consumed, among other reasons, because of the many submarines operating along our coast, so that consumption will be curtailed significantly from now on. Ship commanders are instructed to be absolutely certain of actual contact with a foreign submarine before they give orders to fire a Terne salvo.

The navy should probably be criticized for its inability to evaluate shooting practice properly, the way navies of other countries—Great Britain, for example—are required to do. By various means, however, the coastal artillery has managed to implement a fairly good evaluation system.

Coastal Defense

The navy will evaluate the purchase of light, mobile rocket batteries to supplement the stationary sea-invasion defense. At one time, the Defense Commission proposed that the sea-invasion defense be expanded, a proposal that has not been followed up, except for establishment of three forts in Trondelag and northern Norway. Little by little, the Swedes will probably be able to obtain a serviceable variant of the army's antiaircraft system Robot 70, which will be called Hell Fire in its coastal artillery variant. In the September issue of the journal PROCEEDINGS, however, it came to light that

the Kongsberg Weapons Factory has developed a variant of the Penguin rocket as a cruise missile for coastal defense. The range of the variant is reported to be 16 nautical miles.

Mines

The navy is falling behind when it comes to improving the technological level of its mines. Even though the mines are very simple models, purchased in part right after the war, the navy will invest in modernizing them rather than buying new and sophisticated ones. The navy will also invest in new warehouses that make the mines easily accessible in the areas where they are needed.

12327/08309

Navy To Obtain 10 Air-Cushion Minesweepers

36390036b Oslo AFTENPOSTEN in Norwegian
11 Jan 88 p 4

[Text] The Defense Department has approved a project for the construction of 10 new minesweeping craft for the Navy. The craft are based on a civilian air-cushion catamaran hull which was developed in Norway, and the new craft will gradually replace the more than 30-year-old minesweepers of the Sauda class.

The construction project is estimated to cost two billion kroner, and the start of construction for the first one is planned for early 1989. The Navy Supply Command is now working on the specifications which will go out together with invitations to bid in the near future.

The ten vessels, six minesweepers and four mine hunters, will be built by a Norwegian shipyard and outfitted with equipment from Norwegian and foreign suppliers. The vessels, which will be 170 feet long with a crew of 35, will be specially equipped for operations in Norwegian coastal waters.

09287

PORUGAL

Reported Armed Forces Dissatisfaction With Status, Pay

35420043b Lisbon SEMANARIO in Portuguese
9 Jan 88 p 3

[Article by Jose Freire Antunes: "Psychological Crisis" in the Armed Forces"]

[Text] What do the Armed Forces complain about? Nothing publicly, and indeed they should not. In the offices and barracks, however, there are causes for dissatisfaction—dissatisfaction with the pay, attributes of prestige, archaic structure, and denaturalization of the military profession. "To take compulsory military service out of the Constitution is contrary to the concept of

the Fatherland," is the emotional statement of an admiral who is associated with NATO, and an army general speaks gloomily of a "psychological crisis." Why?

Over the past 15 years the disparity between the pay of military personnel on the Permanent List and that of the civil service has intensified. A general receives a base salary of around 100 contos, which plus subsidies comes to 130 or 140 contos. The generals are complaining, and the intermediate staff even more so. Leaflets, bitter in tone, have circulated among the Army units: they compare the pay of captains and majors with the pay of janitors who work for the Lisbon City Council (with the former suffering by comparison). One can understand the humiliation of those who attended the Academy and have the credentials of an elite.

The government will carry out a 13 percent pay adjustment, and the salary spread will be broadened. "It's a first step," one high-ranking officer comments, "but it is not enough." A member of the government counters: "The budget of the Ministry of National Defense (not counting the Ministry of Finance) occupies third place, behind Education and Employment and Social Security." Heretofore a general "was worth" 2.6 sergeants in terms of salary; he will now be worth more. Will this incentive be sufficient to calm the waters?

To increase preferentially the pay of higher-ranking officers (generals, brigadier generals, colonels, lieutenant colonels) in order to bring them into line with the pay of their counterparts in the top echelon of the Civil Service will displease the intermediate grades of the Armed Forces. According to one pessimist there are others who will also be dissatisfied, namely lower-ranking commissioned officers; civilian employees of the Armed Forces; members of the militia; and military personnel serving in the Customs Service, GBR [Republican National Guard], and PSP [Public Security Police]. Another argument commonly heard in the barracks: overtime can be earned in the Civil Service but not in the armed services.

One civilian who specializes in defense-related matters says that the pay problem is being handled poorly. "This administration," he says, "is limiting itself to increasing salaries instead of seriously reforming the military profession." But what kind of reforms would be implemented? They would be based on age-related retirement, thereby encouraging the transition from military service to professions in the civilian sector. This is the practice in West Germany and France. It is essential to get rid of the inverted pyramid (an excess of higher-ranking officers), which is a legacy from the war in Africa.

Equipment upgrading is another source of concern for those generals who are most conscious of Portugal's mission in the Atlantic theater. Since the INF treaty there has been an increase in investment in conventional armament throughout Western Europe. Spain—so close to us—is making a tremendous effort at modernization. And what about us?

"If we want to fulfill our NATO obligations," one Army general declares, "we have to spend money. Otherwise, our strategic space will be coveted by others. The government says that the economic situation is good, so if the reforms are not made now, when will they be made? Otherwise, let's get rid of the Armed Forces; for he who has no money has no vices." Is this a spontaneous outburst, facilitated by the ability to make "off the record" comments? No; this sentiment is becoming widespread.

One PSD deputy insists that the basic problem is the fact that this upgrading of the Armed Forces is being carried out many years late. It should be noted that under the Military Planning Act—the 5-year plan (based on the French model) which aimed at a national consensus—the government will spend approximately 300 million contos over 5 years. "This could prove to be too little for an obsolete army," the PSD deputy said, "but it's too much for the nation."

Statistics from JANE'S DEFENSE WEEKLY, however, reveal that Portugal spends less on equipment than any other member of the Atlantic Alliance except for Luxembourg, whose armed forces consist of only one battalion of infantry. Under the rubric of "per capita" spending on the defense sector, only Turkey spends less (\$65) than we do (\$85), although Turkey will pass us in 1988. These are figures that the military like to publicize.

The Military Planning Act provides for basic expenditures, but is not by itself the expression of a defense policy. Jaime Gama, chairman of the parliamentary defense committee, declares: "No one knows what the defense policy of this government is. Portugal is—even today—the only country in the world that does not have a Ministry of Defense." Armed Forces chiefs deplore the lack of a directional focus and of a phased reevaluation of the role of the Armed Forces.

Within the Army there has also been criticism of the youth organizations of the political parties. It is contended that the reduction in the period of service to 12 months will impair the efficiency of the Armed Forces, which—it is said—need professionals and patriots, not young people who are alienated by antimilitary ideologies.

"Despite the campaign waged by the political parties," one general says, "most young people who serve in the ranks evidence a sense of duty and nobility of character; however, the electioneering of the parties—in their effort to win the support of the young voters—is consistently shameful." One PSD deputy declares, on the other hand, that the Armed Forces chiefs will have to bring about changes in attitude and methodology "if they wish to attract young people."

The military establishment is everywhere feeling the effects of the progressive decline in the social status of its members. The ancient triad of general/judge—adviser-teacher—university professor appears to have been dissolved, to the detriment of the military in time of peace. At first sight it does not appear that the malaise in the Armed Forces will lead to any destabilization of the national life—but it would be folly to downplay this malaise to the status of a problem of merely internal military dimensions.

10992/9604

SWEDEN

Conservatives' Chairman Carl Bildt Urges New Sub Commission

'New National Strategy' Needed
*36500056 Stockholm SVENSKA DAGBLADET
in Swedish 19 Dec 87 p 5*

[Guest Commentary by Carl Bildt: "Appoint a New Submarine Commission"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] It is made clear in the new report from the commander-in-chief that, generally speaking, we face the same submarine threat today that we did five years ago, according to Carl Bildt, leader of the Conservative Party. During the 1980's the defense policy failed in its most important task—preventing systematic and extensive submarine operations. The submarine defense is strengthened but not sufficiently. Bildt puts the blame on the government. He now suggests a "new national strategy" to be worked out in cooperation between the government, the opposition and the authorities concerned. As a first step he suggests the appointment of a new submarine commission which is to draw conclusions from the material submitted to the government yesterday by the commander-in-chief.

In the deliberate submarine operations against Sweden, our security policy is faced with its most difficult challenge since the end of the war.

The fact that a foreign power deliberately and systematically carries out military operations on Swedish territory in peace time is a threat against the very nucleus of our neutrality efforts.

If our territory is not respected in peace time, the likelihood of it being respected in war or in a time of crisis is very small. If we cannot defend our borders in peace time, the rest of the world will question our ability to manage that task in war or in a crisis.

It was against this background that the submarine commission, after careful deliberation, wrote "the submarine violations constitute a threat against and a challenge to the credibility of Sweden's security and neutrality policy."

Since the submarine commission's report in 1983, the task of stopping these systematic and extensive submarine operations against Sweden has been the most important one facing our Foreign Office and our military authorities.

Failure

Today we are forced to state that our security policy has failed in its most important task during the last five years.

Even the most doubting person can no longer question the reports from the commander-in-chief regarding the continuation of the submarine operations against Sweden. When, as in 1987, mini-subs equipped with caterpillar tracks could drive straight through our secret mine barriers like they drove straight into our naval base areas in 1982, the failure is as obvious as it is serious.

In order to reach its objectives, our security policy must make use of both foreign as well as defense policy means. And a test of this five-year failure must be a test of both the foreign and defense policies separately as well as of the cooperation between them.

When one of the foremost western scholars in the area of security policy, Professor Lawrence Freedman of King's College in London, recently summarized his reaction to the Swedish security policy during this period, his opinion was very critical.

Freedman mentions the painful picture of a government torn between the way things actually were and how it wanted them to be and which could not make itself carry out the logic in its own policy because it feared the consequences of a confrontation with the Soviet Union.

Two Central Questions

Since 1983 two questions have been central to the discussion about the violations.

The first question is whether they have continued or not.

Time after time it has been suggested that they have now ceased, have diminished or are in the process of disappearing altogether. The suggestions in that direction have been countless, especially on the part of the government. Yet time after time afterwards we were forced to accept that they have continued in about the same concentration and to about the same extent as could be established in 1982.

The new report from the commander-in-chief makes it perfectly clear that, generally speaking, we face the same submarine threat today as we did 5 years ago.

A series of well planned larger operations, utilizing special technology and special tactics are aimed at Sweden each year. It is a question of very deliberately planned and very deliberately executed operations.

The other question concerns the nationality of the violating submarines.

The Submarine Defense Commission stated unanimously that it was "inevitable" that the question of nationality was to be posed and put to the test "since it is the focus of a judgment of the security policy implications of the continued submarine violations."

It can be quietly stated that the interest in a discussion of this central question has been minimal since 19°3. The only thing that has been said officially is that nothing can be said—furthermore, the implication is that nothing may be said.

In principle, our security policy has, thereby, been robbed of its opportunity to make use of its foreign policy instruments to their full extent. The violating power may very well have understood these statements as a conscious effort to tone down the political consequences of the violations.

In high-level talks between Sweden and the Soviet Union during these years, the violations have played a more obscure role than what the mass media have indicated. There has also been a tendency to give general statements on the part of the Soviets a more far-reaching significance than they actually have.

There is the risk that the Soviet Union, after these discussions, has concluded that the Swedish government does not view the question of the violations as the most central one in our relations.

Only someone who is prepared to fight for his rights with all his power and all his concentration has the opportunity to really be heard and respected in the halls of the superpowers.

The Responsibility

All available material today indicates that the responsibility for the submarine operations against Sweden has not changed between the period of 1980-1982 and the period of 1983-1987.

Logic alone says that it is most improbable that those who were responsible for all those operations during the first period should not be responsible for a single one of the basically similar operations during the second period.

Add to this the material on the question of nationality, which after careful testing, was given to the government by the commander-in-chief.

The assessment of nationality cannot be as certain in any isolated violation as it was in the incident in Stockholm's southern archipelago in October of 1982, but the probability is as high for this period as it was when it formed the basis for the assessment of the Submarine Defense Commission for the period of 1980-1982 in its entirety.

In my opinion, the conditions for the success of the security policy in this, its most important task during the last 5 years, would have been better if Sweden had carried out a clearer foreign policy and a stronger defense policy. Now weaknesses in both defense as well as foreign policy have made failures more difficult to avoid.

Submarine Defense

The submarine defense has been strengthened but it is a painful fact that the expansion of the submarine defense even now is, in my opinion, below the altogether too limited level which was established in the 1987 defense pact.

Of course, it has been noted in the rest of the world that the government has stubbornly said no to another submarine defense force and that we, after years of planning, have not received the money for more than one semi-equipped submarine-defense aircraft.

The government's preoccupation with increasing the risks for the intruding submarines through concrete military efforts has clearly been inadequate.

Add to this an obvious tendency in the foreign policy to give way and to feign ignorance of the challenge to our neutrality policy posed by these violations.

That those who are responsible for this are exactly those who in other connections wanted to see our foreign policy as the most important component of our security policy is somewhat ironical. Facing the opportunity to apply their doctrines, they tripped.

New Strategy

The reports given to the government yesterday by the commander-in-chief should lead to a new national strategy for solving the crucial task that our security policy did not succeed in doing during the 1980's.

Such a new national strategy can only be worked out in cooperation between the government, the opposition and the authorities concerned. A new submarine commission should be appointed in order to draw the necessary security-political conclusions from the extensive material given to the government yesterday by the commander-in-chief.

That task presupposes, however, that an understanding exists of the fact that it must lead to demands that concern both our foreign policy as well as our defense policy. It may also never give way to things which might cause those in the world around us, who, in our opinion, are responsible for these operations, to become irritated with us.

Without the will to confront those who systematically violate us, the credibility of our security policy will become more and more violated.

Newspaper Supports Plan
36500056 Stockholm SVENSKA DAGBLADET
in Swedish 19 Dec 87 p 2

[Editorial: "A New Submarine Defense Commission"]

[Text]The Chairman of the Conservative Party, Carl Bildt, last Friday asked for a new submarine defense commission.

The commander-in-chief has given irrefutable evidence that the submarine violations continue. The Conservative leader feels that Sweden must draw defense and security-political conclusions from this.

Roine Carlsson immediately denied Carl Bildt's request. The only reaction on the part of the government to the report from the commander-in-chief was the nowadays routine statement from the Defense Minister that the situation is grave and ordering the commander-in-chief to study the question further.

The appointment of a new submarine defense commission is part of a strategy intended to deal with the violations and to achieve unity in the Swedish defense policy. Yet the government says no.

It obviously wants to gloss over the fact that the continued submarine violations also constitute a political failure, while it, by saying "classified," tries to hide what is obvious to everyone: who is incessantly violating our national integrity.

The refusal to give a positive response to Carl Bildt's statement is a serious mistake. The answer cannot be interpreted in any other way than that the government is placing its own welfare ahead of that of Sweden.

A new submarine commission is needed in order to draw the necessary political conclusions from the fact that in five years we have not managed to put a stop to the violations. The problem is not with the commander-in-chief but with the politicians.

The commission is also needed as a strong signal to the Soviet Union that Sweden, at all costs, intends to prevent these recurrent outrages against our national sovereignty. A new commission is, in both these respects, of deciding importance for the credibility of the Swedish foreign policy.

A commission is also needed to bolster the credibility nationally. The openness that characterized the previous commission under the leadership of Sven Andersson, and which was recommended in its final report, was extremely important in order to make the gravity of the situation clear to the Swedish people.

The blackout strategy now chosen by the government is simply not possible to maintain, if the Swedish people are to retain their confidence in our security policy.

The Center and the Liberal Parties still have not taken a position on the Conservative leader's request. It would be astonishing if the government persists in its refusal if a united non-Socialist opposition demands a new commission.

12339

FEDERAL REPUBLIC OF GERMANY

FRG Becoming Less Attractive Location for Industry
36200066c Duesseldorf HANDELSBLATT in German
2 Feb 88 p 1

[Text] When the European internal market becomes a reality, it will have considerable influence over corporate decisions as to where to locate, and intensive competition as to location presents a political challenge: the necessary corrections and adjustments must be made soon and, for this reason, the Federal government has given this topic special attention in its annual economic report, 1988. As Federal Economic Minister Bangemann explained at a lecture presentation on the subject of German-British economic cooperation, there are indications that the FRG has lost much of its attraction as an industrial location relative to other countries such as Great Britain. Wages, benefits, corporate tax burden, and progress toward dismantling of regulations and environmental protection regulations are a few of the conditions which are said to make Great Britain a more favorable location.

Bangemann emphasized that the room for economic policy maneuvering of the individual member countries in the still-evolving European Community is becoming more limited. The effect of national activities on the partner countries is increasing. The pressure is increasing for everyone to strengthen cooperation in shaping their economic and monetary policies. Whoever wants to benefit from the European internal market must now begin to adjust their business and investment plans to these new circumstances.

/06662

RWE Builds Solar Testing Facility
36200052c Frankfurt/Main BLICK DURCH DIE WIRTSCHAFT in German 28 Dec 87 p 8

[Text] KOBERN-GONDORF (VWD)—The Essen firm of Rhineland-Westphalia Electricity Works AG (RWE) has begun construction in Kobern-Gondorf on the Lower Mosel of one of Europe's largest solar testing facilities now that all the required construction permits have been obtained. At maximum sunlight illumination, the installation is said to be able to feed up to 300 kilowatts into RWE's 20,000-volt medium-tension grid. According to current planning, the first construction phase is to begin test operations by mid-1989 at the latest. The construction of three installations is planned which are to have a total capacity of 1 megawatt. The RWE facilities use solar cells that convert sunlight directly into direct current.

13238/7310

FRANCE

1988 Social Security Deficit Foreseen
35190023a Paris LIBERATION in French
21 Dec 87 p 13

[Article by Philippe Boulet-Gercourt]

[Text] The deficit is a little less catastrophic than was thought 6 months ago, but it will have to be eliminated as quickly as possible after the presidential election. After a Fr4.1-billion franc operating loss this year, the Social Security General Fund will end 1988 with a neat little deficit of Fr 19.2 billion, if no new measures are taken. This is the prediction of the semi-annual report of the Social Security budget-review board. This body was to have published these figures today, but the meeting was postponed until 12 January in order to be able to take into account the impact of the small measures recently decided upon by Chirac.

A gap of Fr19 billion is a bit untidy, even if the board's 1988 projection was still more pessimistic in July: a Fr33-billion deficit. The cause of this adjustment was the health-expenditure efficiency plan, which permitted the health care department to be brought back into the black. Spectacular—and painful. In its report, the board scrutinizes the plan for savings in health insurance: this plan occasioned "a brutal drop in overall use of health care." In the use of medicines, primarily: this year, pharmaceuticals outlays fell by 4.1 percent, after allowing for the rise in medicine prices.

Behind this fall stands, in the first place, the change in some people's 100 percent coverage, and particularly the dropping of the "26th illness," which allowed a whole class of people, especially older people, to be completely exempt from the deductible. They only needed to show a "lengthy and burdensome course of treatment." It has been a pretty clean sweep: of the 363,000 persons benefiting under the "26th illness" at the beginning of 1987, nine-tenths must pay the deductible today. This effectively limited their demand for health care.

So the "efficiency" plan should save the Secu nearly 10 billion in 1987 and over Fr13 billion next year. This latter projection is perhaps optimistic, since (as the board notes) it is "impossible as yet to know whether the savings derived from the drop in health care usage are temporary or permanent." In addition, 1987 was a great year in terms of epidemic illnesses (which were not numerous), and a repeat performance in 1988 will be difficult. Finally, some of the estimated savings appear to be too high: for example, the government hopes to save Fr500 million by persuading a little over 2,000 doctors to take early retirement in 1988. In fact, the board estimates that "it is to be feared that the savings...will not exceed Fr200 million." This is the kind of dry little phrase that is to be found at various points in this report. But the board refrains from taking a position on the crucial issue, viz. the determined optimism of the

macroeconomic assumptions accepted in producing these figures—the same assumptions as those of the 1988 budget: for example, a growth in gross domestic product of 2.2 percent next year, double what the GAMA forecasting institute (among others) is predicting.

Under these assumptions, the main headings of the general fund appear as follows for 1988: a Fr2.1 billion surplus for occupational health and safety; a Fr2.8 billion deficit for family services, which would swing into the red for the first time since 1982; and a Fr19.3 billion deficit for the elderly. In this latter case, it is a matter of a massive structural shift: "the growth in the volume of direct grants should continue well above 5 percent until the end of the decade," the board reminds us.

There remains, finally, the thorny question of the cash reserves. The year 1988 will start off with a little more than Fr10 billion in the till. The government, as a matter of fact, has allowed this figure to be attained—it is an old custom—by making certain government payments to the Secu in advance and slowing down certain outlays. According to the report's authors, "the genuine liquid reserves should be on the order of Fr6.4 billion". Between June and mid-July 1988, the general fund should be in deficit frequently but slightly. The situation should go back to being one of surplus until mid-September, and in mid-November the ceiling on advances to the Secu by the Caisse des Dépôts will have been exceeded. At the end of December, there will probably be a Fr13 billion deficit. As a practical matter, this means that the next ministry will have only a short time in which to put together the yet another salvage plan for the Secu.

Saturday, the Chamber adopted, by 291 votes to 283, the Social Security bill, which effectuates some of the measures put before the Assembly on 3 December by Jacques Chirac. Among these, one amendment aims to restrict the sale of milk and food for young babies (under 4 months) to pharmacies—in other words, to officially forbid the sale of these products in supermarkets.

13070/9604

Cause of COGEMA Losses Remains Unclear
35190023b Paris LE MONDE in French
20-21 Dec 87 p 17

[Article by Francois Renard: "COGEMA Loses 250 Million Francs Without Much Idea How"]

[Text] In a rather awkward statement put out on the afternoon of Friday 18 December, the Compagnie Générale des Matières Nucléaires (COGEMA), wholly-owned subsidiary of the Atomic Energy Commission (CEA), acknowledged having lost 250 million francs on dealings carried out for its account on the financial-instruments forward market (MATIF) and on the options market. COGEMA has "opened an investigation" to determine the causes of this loss. "The necessary

inquiries are underway, with the goal of understanding the circumstances in which this happened, and of taking, as required, all needful measures for protecting the company's interests."

The firm has examined its internal documentation, but "has not yet found a complete answer" on this "take-off accident." It therefore notified the market-regulatory authorities: Treasury, Paris Securities Clearing House (CCIFP), and the Stock Exchange Committee, stated COGEMA President Francois de Wissocq.

This makes the third "accident" to happen on the MATIF since its inauguration on 20 February 1986, and it will doubtless not be the last. The first "confession" was in the matter of Credit Mutuel du Sud-Est of Lyon last October, for Fr70 million according to report. The second concerned the Parisian Ferri-Germe brokerage office, which lost between Fr 120 and Fr200 million francs last October and, literally "washed up," had to sell out to Credit Foncier de France.

In COGEMA's case, the accident is not really catastrophic. This company, which, with its subsidiaries, employs 18,000 people, is number one worldwide in the nuclear-fuel cycle, from natural-uranium extraction, through its enrichment (Eurodif at Pierrelatte), to its recycling (La Hague and Marcoule plants). Its sales are Fr17 billion (Fr22 billion on a consolidated basis) and its profits Fr356 million (Fr759 million consolidated). One of its characteristics is the possession of very abundant cash balances (about Fr5 billion) stemming from its Fr3 billion a year of ploughed-back cash flow, and above all from advances to it by clients under long-term contracts, particularly for the enormous expansion project at the La Hague recycling plant (Fr50 billion over 10 years, of which Fr6 billion a year from 1986 to 1988).

COGEMA has been anxious, while maintaining sufficient liquidity, to place these funds at 2-to-5-year terms. It had a considerable bond and bill portfolio in mutual funds in 1986, pulling back to shorter-term placements starting in the fall of 1986, when the market turned around, with rates moving upward after having fallen for 5 years. According to de Wissocq, when the forward market (MATIF) opened in February 1986, COGEMA "did as everyone else did: it wanted to try it out." The firm withdrew from this market, and unwound all its dealings between May and September 1987, before the stock-market crash. In unwinding its dealings it brought the skeleton to light, and it is now busy seeking the causes of the accident, after kicking its financial chief out. "We don't understand this very complex market very well," it is admitted at the firm, which, in launching its investigation, chose to let everyone know, in order to cut wild rumors short.

An Unregulated Market

"Complex" does describe this market, especially the options market, which seems to have been the source of a good part of COGEMA's losses. An option is a contract

giving its purchaser the right, but not the obligation, to buy or sell a security of a given maturity, at a price fixed in advance, during a specified period. The same contract obliges its seller to sell or buy this security on demand by the buyer. In return for this, the buyer pays the seller a premium whose height is quoted on the market and can vary rather sharply (leverage effect). As a result, if (as the buyer hopes) the security's market price rises, permitting its resale at a profit, the market height of the premium will rise more than proportionally (and vice versa).

Manipulation of options is a delicate business and can be dangerous for an inexperienced trader. The options market, furthermore, is not yet regulated; that is, it is not under the jurisdiction of the MATIF clearing house. Options are traded over the counter, without same-day settlement as with standard forward contracts, without juridical underpinning, and without hypothecation with recourse to the optionholder. All this on a Fr15-20 billion market.

Traders put together astute sequences of purchases and sales of options, themselves calls or puts, and the whole thing straddled to limit risks. These risks remain high, all the same, in cases of abrupt changes, such as the 7 percent rise and fall on 19 to 20 October, which cost the Ferri office so dear.

Only very good specialists can keep their bearings in these straddles. The outsider is all at sea. Thus one can understand the problem for COGEMA's management, which is going to ask the brokers operating on this market and on the MATIF for explanations, in order, as its statement puts it, "to protect the company's interests." The firm is not going to be killed by this, far from it. Its financial investments have grossed a billion francs in 2 years. After the losses on MATIF, its financial operations should net Fr340 million in 1987 as they did in 1986, with the average rate of return remaining at money-market levels (between 7 and 8 percent), "which isn't great, but it's in line," as de Wissocq assesses it. The overall figures for the period should, for their part, be unaffected.

All the same, it is tough to lose a quarter-billion francs without any idea how, even for COGEMA. And this "accident" will probably not be the last, when the 1987 figures for certain firms have to be published, or when certain operations have to be wound up after being halted temporarily or permanently. Watch out for MATIF. It is a very useful tool which has proved its worth in covering normal interest-rate or exchange-rate risks; but it can also burn your fingers—or your butt!

13070/9604

GREECE

Internal Debt Increase Seen Endangering Future
35210047a Athens 1 KATHIMERINI in Greek
24 Dec 87 p 5

[Text] The size of the external debt and its critical effect has led many to forget or to underestimate the danger inherent in the rapid growth of the country's domestic

debt which is not in foreign currency but in drachmas and it is contracted by the state and other public organizations either in the form of direct borrowing from the Bank of Greece or in the form of interest-bearing bonds etc. The threat, however, is just as great and immediate that, in the end, the domestic debt too, can, after a certain point, overturn just as much as the external debt the equilibrium of our economy from one moment to the next.

The cover report to the Budget bill states that "the state, in order to move away from external borrowing or from the issuing of inflationary currency, turns systematically toward a sound form of domestic borrowing by offering attractive debentures. Generally speaking, this is unquestionably a sound policy since it seeks to change the composition of the public debt so that shorter-term loans will play a more decisive role. But all this depends on the rate the debt increases because it is certainly good to borrow from many sources, but in the end what really matters is how much you borrow. In our case it appears that the government has started going beyond a certain safety point.

At the end of 1981, the country's internal debt was 508,541 million drachmas. This year it has reached 2,141,871 million drachmas. In other words, in the 6 years PASOK has been in office, the internal debt has increased almost fivefold. This is a tremendous increase which, nevertheless, is not as great as that of the external debt which from 163,331 million drachmas reached 1,460,007 million drachmas, a ninefold increase. This does give a sense of an avalanche which threatens to bury under it our entire economic edifice.

Indeed, if we take into account the fact that in 1987 the state budget spent approximately 687 billion drachmas to service the public debt while 737 billion drachmas more will be needed in 1988, we can see that with the rapid expansion of the public debt (both internal and external) we move mathematically toward bankruptcy since in a few years almost all public revenue will be needed to pay the interest and to service the foreign loans.

New Democracy Party Chairman K. Mitsotakis presented in the Chamber of Deputies a nightmarish picture of developments in this sector and the government did not dare deny or even correct the picture. Making a prediction for 1988, Mitsotakis spoke of a public debt reaching 4,579,000 million drachmas. If we add to it the debts of the public enterprises and agencies we reach the dizzying figure of 7 trillion drachmas compared to 1 trillion when New Democracy left office in 1981. This means that the public debt which in the ND days amounted to 49.5 percent of the Gross Domestic Product has gone up to almost 100 percent in the PASOK days.

Estimating the rate at which the public debt increases—doubling every two and a half years—Mitsotakis said: "In 1991, shortly before we enter the Unified European Market, the broader public sector will owe twice as much as our Gross Domestic Product. We will need 2.9, almost 3 trillion drachmas to service the public debt in 1991 and 1991 is not far away. If Papandreu were to win the election once again and continue in office we will need 83 percent of all revenue to pay the public debt."

It is, therefore, obvious that, unless this borrowing spree is stopped, in a few years there will be no money for public investments or for an economic policy. All revenue will be needed for the payment of interest and servicing loans. Our country will be bound hand and foot.

/9738

ITALY

Budget for Aid to Third World Presented

35280090a Milan *ITALIA OGGI* in Italian
18 Dec 87 p 6

[Text] Rome—After allowing for a reserve (equal to 30 percent of the new appropriations) for emergency interventions, Italy will have a total of 10.2 trillion lire available for the developmental cooperation program during the next 3 years.

Mario Raffaelli, undersecretary of foreign affairs, reported to the Foreign Affairs Committee of the Senate on the status of the implementation of Law 49 of last 26 February, which prescribed the new regulations for Italian cooperation with the developing countries. His presentation was made in the context of the informational survey conducted in our country on the subject of cooperation.

The undersecretary explained the contents of the law. He dwelt in particular on the directives for implementation of the planning guidelines approved by the Interministerial Committee for Developmental Cooperation. He explained the new criteria for determining priorities and geographical concentration—a veritable keystone for interpreting the aid policy and Italian interests. He then explained the criteria for the utilization and integration of the instruments of intervention, which he said will have "modalities that are differentiated according to the type of country involved, and will be designed to maximize the results of Italy's growing commitment to the developing countries, in conformity with the objectives established by the law."

Based on these directives, in the 3-year period 1988-90 the cooperation funds to be distributed by geographical areas (after deducting for the emergency interventions) will be allocated 45 percent for sub-Saharan Africa; 19 percent for Latin America; 18 percent for the Mediterranean Basin and Middle East; and 18 percent for Asia.

Moreover, 75 percent of the funds distributed will be earmarked—within each of these areas—for countries identified as "priority" countries.

Following Raffaelli's presentation, several senators requested clarification of the current status of Italian developmental cooperation. The Federalist Spadaccia, in particular, emphasized the need for setting up—at the office of the commission—a terminal to record all the actions and decisions taken relative to the cooperation program. He requested an accounting of the funds spent or committed to date, listing the countries and sectors in which said funds were spent or committed, together with the pertinent data and control mechanisms involved.

Spadaccia expressed perplexity at the priorities announced, which includes countries such as Egypt and Tunisia—countries which he said "are certainly less in need of aid than other nations belonging to the so-called Third World."

The Christian Democrat Rosati requested clarification of the relationship between the local technical units and the voluntary service work in the developmental cooperation program. The DC emphasized the guarantees that Italy must obviously request from Ethiopia to ensure the correct distribution of the aid, particularly in the areas that constitute Eritrea.

The communist Volponi emphasized the need for close coordination between the Italian cooperation programs and those prepared by other developed countries.

10992/12232

ENI's Foreign Expansion for 1987

35280090b Milan *ITALIA OGGI* in Italian
4 Jan 88 p 3

[Text] Rome—the ENI [National Hydrocarbons Agency] in 1987—in addition to rediscovering the spirit of industrial mobility—reaffirmed its international dynamism by means of a series of significant agreements that concern principally the hydrocarbons, mining, chemical, and civil engineering sectors.

Hydrocarbons: The alliances formed in this sector range worldwide, from the agreement signed with the Brazilian national energy company PETROBRAS to the four permits obtained by AGIP UK [UK National Italian Oil Company] for mineral exploration in the North Sea and the agreement concluded by AGIP with the Chinese petroleum agency for an offshore deposit in the South China sea. AGIP will also develop—in concert with Algeria—an oil field discovered in 1986 by ENI; it is the first agreement concluded in that North African country since the new petroleum law took effect. In Brazil, a petrochemical complex using ENICHEM technology was established.

Mining: Of the agreements in this sector, one of particular importance was concluded by AGIP Mining with the German Metalgesellschaft of Frankfurt for the purpose of conducting international mining activities jointly. In Venezuela, AGIP Coal formed a consortium with American and Venezuelan partners to develop the mining and marketing of the coal of the Guanare River region.

Chemicals: ECOFUEL (of the ENI group) signed an important agreement to form—in Venezuela—a joint company to produce MTBE, an additive for clean gasoline. For its part, ENICHEM Base—in concert with Sterling-Baker Perkins Chemical Machinery, a U.S. company—will produce film in “LLPDE.” Together with the Italian Du Pont, ENICHEM (ENI’s flagship company for chemicals) formed a joint venture to make gas pipelines of Aldyl linear polyethylene for the domestic and foreign markets; with Arco Chemical—a U.S. company—formed two companies to produce thermoplastic styrene elastomers in the United States and technical resins in Europe; and with Dow Chemical formed a company to produce epoxy resins. In addition, ENICHEM signed an agreement with Du Pont to form a joint venture with Sclavo for the integration of their respective commercial diagnostic networks.

Civil Engineering: Nuovo Pignone has concluded an agreement with Algeria to supply four gas turbines (each of approximately 110 megawatts) within the framework of the approximately 150 billion lire maxicontract awarded by SONELGAZ [National Electricity and Gas Company]. For this part, SAIPEM succeeded in concluding important agreements with foreign countries, including SNAM Projects’ contract to build—in Zambia—the Dar Es Salaam-Ndola oil pipeline. SAIPEM UK has formed a joint company with Brown and Root to manage the work of laying offshore pipelines for the two companies.

ENI has not been directing its attention exclusively abroad, however; in 1987 it also carried out a number of significant operations in Italy, such as the favorable conclusion of the most important of its privatizations: the privatization of Lanerossi, which was transferred to the Marzotto Group for 168 billion lire in a transaction that was able for the first time to implement “procedures that made it possible to bring the transaction to a successful conclusion in an equitable and clear-cut matter,” as even ENI President Franco Reviglio has acknowledged. Still another important chapter was recorded when Metanopoli Properties was listed on the Stock Exchange.

In the South, ENI’s effort has taken the form of large direct investments destined to a great extent for industrial conversions and innovative sectors. Moreover, the decision to develop the manufacture—in the South—of chemical products that have a high technological content and assured markets constitutes further testimony to the “strategic” and “non-welfare” character of ENI’s commitments in the South.

A number of important steps in this direction were taken during 1987, especially in the Basilicata and Basento River regions, which since the 1950’s had been an area for establishment of the principal chemical industries but was subsequently hard hit by the industrial crisis of the 1980’s. In this area, ENICHEM—in association with ENICHEM Fiber and Alta, Inc.—put into effect an industrial conversion program with the construction of the plant of the INCA International and the start of work on a service center designed to facilitate the new procedures for industrialization of the area.

In Sicily, the new plant for the production of linear polyethylene—a product in which ENICHEM holds the European leadership—was inaugurated at the Priolo chemical center.

10992/12232

NORWAY

Government, Opposition, Industry Leaders on Economic Outlook

Budget Leaves Problems Unsolved

36390031 Oslo AFTENPOSTEN in Norwegian
18 Dec 87 p 2

[Editorial: “It Will Get Worse”]

[Text] If we fail to do what is now necessary, it will get much worse later on. It was Finance Minister Gunnar Berge who, with this pertinent remark, passed judgment on the national budget which was finally approved yesterday by the Storting. We do not object to the government’s analysis of the economic crisis we find ourselves in, but we are genuinely sorry that neither the Labor Party nor its supporters can draw the approximately correct conclusions.

The Christian People’s Party and the Center Party cannot believe that the national budget they worked to get approved is suitable for solving the formidable problems we face. The austerity measures, to the extent they can be gauged, are not nearly sufficient. The question is how long it will take before those responsible are forced to pull out all the stops.

Let us take the interest rate as an example, not because it is the problem but because it illustrates the basic weaknesses of Norwegian economic policy. In an interview with AFTENPOSTEN last Saturday, Prime Minister Gro Harlem Brundtland said: “The way the international economy has developed, neither the budget nor the balancing-of-accounts proposition alone is enough to assure a decline in the interest rate.” In our opinion, Sigbjorn Johnse, the Labor Party’s chief spokesman for financial policy, expressed it even better yesterday.

He pointed out that it is useless to keep the interest rate in check if everything else runs wild. Only by restoring balance to the Norwegian economy can we bring about a permanent decline in the interest rate, and this requires us to get wages and prices under control. Absolutely essential, in other words, is a settlement involving a moderate hike in income, not to mention no hike in income, which would be even better.

The fact is, however, that the failure to reduce expenditures, combined with tax and levy increases even higher than what the government originally proposed, guarantees demands for sky-high wages, new price increases, and a further enfeebled ability to compete. In a situation that shouts for incentives to assure new growth, the Storting majority has set out on a course which instead stifles growth where we need it most.

Under the pretense of wanting to limit private consumption, taxes are increased in order to avoid the burden of reducing public consumption, which drives up inflation and expenditures. If the Center Party and the Christian People's Party join forces with the Labor Party at this crossroads, there will be no alternative, unfortunately, to a policy which only pushes us further toward the edge of the precipice. Berge is right: it will get much worse.

Industry Leaders Increasingly Pessimistic
36390031 Oslo AFTENPOSTEN in Norwegian
22 Dec 87 p 2

[Editorial: "Not Realistic"]

[Text] Seldom have we experienced such agreement: the situation cannot continue as it is now. But never have we experienced such disagreement over what to do about it. The government chief and industry spokesmen held separate press conferences yesterday in Oslo, and both took the country's economy as their main topic. They agreed that the situation has become drastically worse. But there they parted ways.

The prime minister was not inclined to change the government's budget proposal, and she regarded as "not realistic" suggestions by business organizations for austerity measures. Thus the 1988 budget looks the way it did before the stock market collapse, before the dollar's fall, before the new shortfall in oil revenues, in brief, the way it did under entirely different circumstances. In a new situation, Norway continues essentially with an economic policy which was formulated before the premises for that policy failed.

The majority does not want foreign countries to have confidence in the krone, business firms to have confidence in their working conditions, stockholders to have confidence in the future, wage earners to have confidence that taxes and prices will not get worse. If all this happens, it will not do the budget any good, no matter

how big the majority was. If it happens, people themselves will take precautions. Then the government and its supporters may be compelled to adopt much harsher measures than if they had acted themselves, and in time.

The prime minister puts her trust in "cooperation on income policy." But it must have a foundation to build on. 1987 was supposed to have been a year of exemption from wage increases which the country could not afford. But the year has given us record wage hikes. Manpower is in short supply, and high public consumption makes competition for it even tougher. The state must therefore curb its own demand if it wants income growth to be moderate.

Is the private sector less important to the country than the public one? The government seems to think so. It wants the mainland economy to gather headway, but the state also acquires increased revenue by drawing on industry's labor capital. Allocations for the consolidation fund, i.e., investments are reduced in the national budget. It makes poorer rules for writeoffs, and it makes conditions for the stock market worse. The total economic policy forces the interest rate up, so that business loans become costlier. This budget can hardly last out the new year.

Brundtland Seeking Cooperation Partners
35390031 Oslo AFTENPOSTEN in Norwegian
22 Dec 87 p 5

[Article by Einar Solvoll: "Prime Minister at Her Press Conference: We Are in for Rough Year"]

[Text] "If we were to listen to all the demands and take them into account, we'd have to abandon our posts as soon as possible and give up running the country," pointed out Prime Minister Gro Harlem Brundtland yesterday at her press conference, which marked the end of a fervent political autumn. "1988 will not be characterized by a joyful message that more money is being distributed to everyone," said the prime minister.

The prime minister added that it is not easy for a minority government to say no to all demands, and illustrated her approach to the problem by noting that last year people spent 23,000 kroner more than the country actually earned, but next year that figure will probably be reduced to 14,000 kroner per gainfully employed participants in society. "That means people treat themselves to an extra month's pay that doesn't exist," said the prime minister.

Price Freeze Rejected

Prime Minister Gro Harlem Brundtland categorically rejected the notion that a wage-and-price freeze will be introduced next year or that the government plans to devalue the krone. Concerning the teacher settlement, the prime minister stressed that she has much sympathy for the teachers, who make a major contribution and are

underpaid. At the same time, however, she expressed surprise that in negotiations with the state they have actually said that if they are not offered more than 3,000-4,000 kroner per teacher per year, then they do not want anything. The prime minister called for greater willingness to cooperate in the negotiations.

The prime minister was also questioned about the criticism from fellow party member and Storting representative Grete Knudsen concerning the government's handling of the interest rate issue, and noted that she is not sure this is a constructive contribution to the joint task of turning the economy in the right direction.

Cooperation With Center

The prime minister said that cooperation between the Labor Party and the middle parties this autumn can be seen as a natural continuation of the common views they held on taxes and economic policy in the 1970s, while the first-time cooperation between the Conservative Party and the middle parties for a few years in the 1980s could have given a somewhat different impression. The prime minister thought it was too early to predict what this would be like after the 1989 election.

Interest Rate

In connection with the interest rate, the prime minister said that the government is now preoccupied with a lower interest rate on housing loans for those who are buying a dwelling for the first time and for younger people who have acquired a dwelling of common size and standards in recent years. "Work is also being done to arrange a stabler interest rate on housing loans over the long haul," said the prime minister.

With respect to NATO's ideas about replacing the Canadian brigade in Norway and whether Norway will accept more German soldiers on Norwegian soil, Prime Minister Harlem Brundtland said that such troops already take part in maneuvers on Norwegian territory. And it is also necessary in the future to normalize a situation which has been natural in recent decades, despite the events of the more distant past.

Paper Urges Increased Austerity
36390031 Oslo AFTENPOSTEN in Norwegian
29 Dec 87 p 2

[Editorial: "Another Policy Now"]

[Text] Without further ado, we can endorse two statements made by the prime minister in her New Year's interview with the Norwegian Wire Service. She says that the policy now pursued differs entirely from the one

before the change of governments in 1986 and that many of the decisions are not yet understood by everyone. She refers particularly to the tax policy.

What characterized the tax policy of the nonsocialist government, up until the spring of 1986? It was the fact that taxes went down, not just for those who earned the most, as Mrs Harlem Brundtland claims, but for everyone. It was harder to avoid paying taxes, but it was easier to put up with them.

Comparison of the two governments is actually very instructive. Under Willoch, wage earners and businessmen were certain that taxes would be reduced, not increased. This was crucially important, especially for those who wanted to start up a new business. They knew what the conditions were and that changes would be for the better, not for the worse. It helped make these years a unique period for new Norwegian businesses.

Today this has been turned around completely. It has become harder to make a profit, and earnings are taxed more severely. The terms for raising new capital have worsened; the sales tax on stocks is the most demonstrative example. The atmosphere of confidence and optimism has blown away and been replaced by anxiety and distrust.

The difference in political attitudes affects everyone. The current government cannot bring itself to undertake real austerity measures in the public sector, only in the private. This means that when national income drops because we are earning less from our exports, the state must collect more and more money. Taxes and levies are therefore increased for individuals and businesses on all levels. Mrs Harlem Brundtland is right when she says that the full effects are not understood by everyone. Not yet.

The big labor organizations nevertheless seem to grasp what has happened. The tax increases in the approved 1988 national budget have caused the organizations to raise their demands: they want bigger pay increases so that disposable income—what is left after taxes—is not reduced. Far from contributing to a moderate rise in income, increased taxes will make the rise more extreme.

The previous government concluded that the tax burden in Norway was so heavy it harmed the economy. The government therefore began to reduce the burden systematically. Now it is rising again. It is, as the prime minister says, a different policy now being pursued.

ITALY

Health, Optimism Prevail in Poll

35280083 Rome LA REPUBBLICA in Italian
30 Dec 87 p 13

[Article by Arnaldo D'Amico]

[Text] Rome—Italians felt better in 1986, but went to the doctor more frequently. The most common illnesses, arthritis and stomach ulcer, have in fact diminished, and the number of those reporting themselves ill is also on the wane. The most-consumed drugs are still painkillers, vitamins and tranquilizers. The specialists most in demand were those for the heart and skin. The patients who were admitted to the hospital came out enthusiastic about the job done by the doctors and nurses, but totally unhappy with the rooms and food. Cancers, unfortunately, did not go down in number, while smoking was admitted to by a smaller percentage.

This data came from the Istat survey "Health Conditions of the Population and Use of Medical Services," carried out between November 1986 and April 1987 by addressing a questionnaire to a sample of 26,553 persons in 8,716 households. The study follows those of 1980 and 1983, and as stated in the survey, "in fact, from the relative comparability of the population samples examined, permits conclusions on the evolution of health conditions."

"Of course, in evaluating results of this type of survey, based on responses furnished directly by the individuals," says Professor Carlo Vetere, director for social medicine at the health ministry, "we must always take into account that, in responding to questions that concern ourselves, we are not always objective. For example, according to the previous survey done in 1983, wine consumption amounted to 45 liters per capita annually, while sales had been at the rate of 90 litres. Similarly in the case of smoking, I don't think it's in order to celebrate a victory simply because of a drop in the number of those reporting themselves to be smokers. Indeed, the tobacco monopoly reported an increase in sales for the same year."

Chronic Illnesses

The number saying they suffer from chronic illnesses has, in any case, gone down.

There were 73.3 bronchitis sufferers per thousand in 1980, 72.7 in 1983, and they fell to 58.1 per thousand in 1986. Similarly, high blood pressure went in the same three years from 64.3 to 65.3, and then to 61.6 per thousand.

A considerable improvement occurred for arthritic-type ailments, which [is] the most widespread. While 192 respondents per thousand complained of them in 1980,

it was only 153 last year. Much more significant was the reduction in heart diseases, which plummeted in 6 years from 50.8 per thousand to 37.8.

Gastric and duodenal ulcers also fell, from 34.7 per thousand in 1980 to 26.9 last year. "An outcome due to the recent introduction of effective drugs," comments Vetere, "and to the spread of endoscopy, a more effective diagnostic procedure for ulcers, permitting early diagnosis."

There were declines in blood diseases (from 11.6 per thousand to 8.2), and in nervous ailments, which fell from 49 per thousand in 1980 to 38 last year, after a slight rise in 1983. Other indicators of improved well-being are the reduction sufferers from liver and gall stones (19.2 to 23.0 to 16.1 per thousand) and from kidney stones (11.9 to 10.6 to 9.2 per thousand).

Cancers (including lymphomas and leukemias) are the exceptions, their frequency remaining almost unchanged on the average: 5.3 per thousand of respondents reported themselves afflicted with them. "The figures we have are indeed not optimistic," says Vetere, "however, new cases registered by doctors numbered 39,000, confirming the growth trend."

The illnesses that most affect the Italian population are still those of the joints, although the reduction noted above has restricted their impact to 153 persons per thousand. On the other hand, 61 persons per thousand are aware that they have high blood pressure, which is in second place. In decreasing order come chronic bronchitis (58 per thousand), emphysema and related respiratory problems (46), nervous ailments (38.7), heart ailments (31.5), diabetes (29.2), allergic illnesses (28.0), and gastric and duodenal ulcers (26.9).

Naturally, chronic and degenerative diseases are complained of more frequently with advancing age.

"Were you in good health during the last 4 weeks?" The majority of respondents, 66.1 percent, answered "yes" to this question, while 32.1 percent did not characterize their own health as good. At the same time, 1.7 percent said, "I don't know," or did not answer.

The coordinator of the survey, Leonarda Roveri Carranante, does not attribute an absolute sense to these answers, as she contrasts the other declarations of the same respondents. A good 36.8 percent of those who answered that they had been in good health, in fact, later admitted having suffered from some ailment. Furthermore, in another section of the survey, 45 percent of the respondents complained of "symptoms of illness, vague ailments and health problems." In addition, 19 percent of the respondents complained of respiratory ailments and some 12 percent of "bone, muscle and connective-tissue diseases."

The 66.1-percent "healthy" majority can be explained by "taking an optimistic kind of attitude as to one's own state of health," according to dr Roveri Carrannante. "There is recurring evidence that, in the majority of cases, the feeling of ill-health is attributed to the body while actually resulting from complex psychosomatic dynamics and from the individual's interaction with his or her environment."

All forms of permanent disability show up as declining, especially between 1983 and 1986. The highest frequency of cases still involves motor disability (14.5 per thousand), followed by deafness (5.2) and blindness (4.0). These disabilities rise as percentages with age, particularly after 75. Only for blindness are figures higher for women.

Visits to the doctor that occurred in the 4 weeks preceding the interview numbered over 25 million, equivalent to 45.2 visits per hundred inhabitants. Home visits were 18.7 percent of the total. Consultation with the doctor is more frequent among women and rises with age: from 27 visits per 100 individuals between 15 and 24 years of age, to 91 visits per 100 over 75 years of age. "An enormous frequency when compared to the Swedes' 4, to the Soviets' 8, and to the America's 7 or 8. But how many Italians are lining up in doctors' waiting rooms just to get medicines prescribed?" observes Vetere.

In 69.7 percent of the cases the visits were to the general practitioner. In first place among visits to specialists were those to dentists, and those go gynecologists. Among the most consulted of other specialists, the heart and skin specialists come next, these being more heavily consulted through the public health services.

More Blood Work

Diagnostic tests went down in 1986, particularly in comparison to 3 years ago, with the exception of blood

analysis, which went from 77.6 up to 82.3 per thousand. The most significant reduction in laboratory checkups concerns radiological and echographic examinations (from 59.6 to 33.6 per thousand over the last 3 years). It is women and older people who most frequently make use of diagnostic tests.

In the year preceding the interview, 7 percent of the people in the sample were admitted to the hospital, and their average hospital stay was 18 days. The percentage of admissions was higher for women, and rises with age. Medical care was pronounced "very satisfactory or quite satisfactory" by 89.3 percent of the patients, and nursing care by 82 percent. Low levels of satisfaction were expressed for hospital food and cleaning services. Among remedies, consumption of anti-neurals and painkillers was first (18 percent of the population), along with vitamin supplements (7 percent) and tranquilizers and anti-depressants (6.9 percent). Consumption is even more frequent among women.

Over the last 3 years, smokers of 14 and over fell from 34.9 to 29.3 percent of the population, and ex-smokers rose from 5.5 to 9.2 percent. The highest percentage of smokers is found between the ages of 25 and 44 (almost 40 percent of all individuals), while the highest share of former smokers is encountered among older people. They stop smoking because of a disease or sickness (46.3 percent), or else for preventive purposes because "smoking is bad for you" (36 percent).

"In the future we will experience the effects of the aging of our population," concludes Ms Roveri, "in the form of a worsening of the average state of health. This must be taken account of in order that remedial and preventive services can keep pace."

13070/9274

**END OF
FICHE**

DATE FILMED

30 March
1988

